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[ISSUED THURSDAY, 16TH AUGUST, 1917.]

JUL 9 1923



COMMONWEALTH OF AUSTRALIA.

PARLIAMENTARY DEBATES.

SECOND SESSION, 1917.

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SEVENTH PARLIAMENT:

SECOND SESSION.

Governor-General.

His Excellency the Right Honorable Sir RONALD CRAUFURD MUNRO FERGUSON, a Member of His Majesty's Most Honorable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, and Commander-in-Chief in and over the Commonwealth of Australia.

Australian National War Government.

(From 17th February, 1917.)

Prime Minister and Attorney-General	..	..	..	The Right Honorable William Morris Hughes, P.C.
Minister for the Navy	..	..	..	The Right Honorable Joseph Cook, P.C.
Treasurer	..	..	..	The Right Honorable Sir John Forrest, P.C., G.C.M.G.
Minister for Defence	..	..	..	The Honorable George Foster Pearce.
Vice-President of the Executive Council	..	..	..	The Honorable Edward Davis Millen.
Minister for Works and Railways	..	..	..	The Honorable William Alexander Watt.
Minister for Home and Territories	..	..	..	The Honorable Patrick McMahon Glynn, K.C.
Minister for Trade and Customs	..	..	..	The Honorable Jens August Jensen.
Postmaster-General	..	..	..	The Honorable William Webster.
Honorary Minister	..	..	..	The Honorable Littleton Ernest Groom.
Honorary Minister	..	..	..	The Honorable Edward John Russell.

Senators.

President—Senator the Honorable Thomas Givens.

Chairman of Committees—Senator John Wallace Shannon.

¹Bakhap, Thomas Jerome Kingston (T.)
Barker, Stephen (V.)
Barnes, John (V.)
Bolton, Lieut.-Col. William Kinsey (V.)
Buzacott, Richard (W.A.)
Crawford, Thomas William (Q.)
De Largie, Hon. Hugh (W.A.)
Earle, Hon. John (T.)
Fairbairn, George (V.)
Ferricks, Myles Aloysius (Q.)
Foll, Hattil Spencer (Q.)
Gardiner, Albert (N.S.W.)
Givens, Hon. Thomas (Q.)
Grant, John (N.S.W.)
Guthrie, Robert Storrie (S.A.)
Guy, James (T.)
Henderson, George (W.A.)
Keating, Hon. John Henry (T.)
¹Long, Hon. James Joseph (T.)

Lynch, Hon. Patrick Joseph (W.A.)
Maughan, William John Ryott (Q.)
¹McDougall, Allan (N.S.W.)
Millen, Hon. Edward Davis (N.S.W.)
Needham, Edward (W.A.)
¹Newland, John (S.A.)
O'Keeffe, Hon. David John (T.)
O'Loghlin, Lieut.-Col. Hon. James Vincent V.D. (S.A.)
Pearce, Hon. George Foster (W.A.)
Plain, William (V.)
Pratten, Herbert Edward (N.S.W.)
Reid, Matthew (Q.)
Rowell, Col. James, C.B. (S.A.)
Russell, Hon. Edward John (V.)
Senior, William (S.A.)
Shannon, John Wallace (S.A.)
Thomas, Hon. Josiah (N.S.W.)

do an injustice to public servants. For many years I was closely connected with public servants, and trusted by them. Whenever a vote was taken to select representatives to wait on the Government, I always occupied a leading position on the poll. It was known that I would do my best for them, and I shall still do so.

The TEMPORARY CHAIRMAN (Mr. ATKINSON). — The honorable member is now departing from the question.

Mr. TUDOR.—Hear, hear! The soldier-member was called to order, and it is time the honorable member was pulled up.

Mr. LAIRD SMITH.—I always obey the Chair. Unlike the Leader of the Opposition, I am not infallible.

Mr. TUDOR.—That is the way with rats; they always squeal.

Mr. LAIRD SMITH.—The Leader of the Opposition is getting "dirty" and unkind. If the honorable member will try to throw mud at me, one of these days some of it will splash back on him. I could hurt him if I wished, and if he goes much further I shall say things that will make him squirm.

Mr. TUDOR.—Go ahead.

Mr. JOSEPH COOK. — Is the Leader of the Opposition in order in speaking of the honorable member for Denison as a rat?

The TEMPORARY CHAIRMAN.—He is not.

Mr. TUDOR.—I withdraw the remark.

Mr. LAIRD SMITH.—Such remarks do not hurt me. The honorable member is protected, because I desire to conform to the ruling of the Chair. I did not hear the whole of the speech made by the honorable member, because at the outset of it I was introducing a deputation of unionists to the Postmaster-General. Many of the unionists still have confidence in me, although I am sitting behind the Government.

I hold that returned soldiers will not, as some honorable members suggest, rush the Public Service. It is not so attractive as some people would have us believe. The members of it are subject to criticism to the like of which no other body of workmen have to submit, and many public servants would be much better off to-day if they had applied to some outside occupation the energy which they have thrown into their work as Government employees. For all these reasons I do not believe that

returned soldiers will rush for positions in the Service, and we are not likely to have Ministers discharging public servants in a wholesale way in order to find employment for returned soldiers. My experience is that heads of Departments, in most cases, are anxious to do justice to their fellow servants.

Mr. JOSEPH COOK. — The honorable member never knew one to be anxious to send away a good man.

Mr. LAIRD SMITH.—Decidedly not. The honorable member for Franklin said that many eligible men in the Service had not volunteered. On the other hand there are many who would willingly go to the Front, but whose services are considered to be of more value here.

Mr. TUDOR.—The honorable member for Dampier made the same remark as the honorable member for Franklin.

Mr. LAIRD SMITH.—Such statements are not fair. Men cannot be trained in twenty-four hours to fill responsible positions in the Public Service. No one knows that better than does the ex-Minister for Trade and Customs.

Mr. TUDOR.—The Department of Trade and Customs is the one Department in which very few temporary men are employed.

Mr. LAIRD SMITH.—The honorable member's success in the administration of that Department was largely due to the fact that he had well-trained men at his elbow, so to speak, all the time he was there. Untrained men might disclose departmental secrets, just as outside business secrets are often talked of in various clubs. The success of our public Departments is largely due to the training our men have received, and to the sacrifices they are willing to make. I have been surprised to learn of the overtime worked by men in various Departments, who cannot be replaced. I have known £39,250 to be saved in a Department in one year as the result of the loyal co-operation of the staff. I also know of another Minister who was able to get £1,400 back into a Department largely because of the ability displayed by those under him. I realize what these men are doing, and what their value is; and I feel sure that no Minister would prevent a capable man from being promoted with a view of putting another in his place. I have no fear of the clause, and therefore I support it.

Mr. CONSIDINE (Barrier) [10.0].—I am rather intimidated at the start by the grave exposure of the ex-Treasurer by the honorable member for Denison. That honorable member, and also the Minister for the Navy, have accused honorable members on this side of being against the men who went to the Front, and of not having the courage to openly state our opposition to the employment of returned soldiers. I have no apology to offer for my position, notwithstanding the remarks made by the ancient warriors opposite.

Mr. BOYD.—What is the matter with you?

Mr. CONSIDINE.—What is the matter with me? I am expressing my own opinion, whether it pleases or displeases the honorable member.

Mr. BOYD.—Mighty convenient opinion!

Mr. CONSIDINE.—Why do you not go to the Front? What is wrong with you now?

Mr. BOYD.—Nothing much.

Mr. WEBSTER.—The honorable member for Barrier does not express opinions here that he expresses elsewhere.

Mr. CONSIDINE.—The time has been so much taken up by the Postmaster-General and others in demonstrating to the House their inherent genius that there has been little opportunity for others so far. The amendment proposed by the Leader of the Opposition only proposes that the Commissioner shall not dispense with the services of any individual employed at the present time, on the ground that he has not been accepted for active service. It has been said by honorable members opposite that the proposal is really meant to apply to those who did not volunteer, and personally I should have liked to see it that way. The people of Australia have decided that conscription shall not be enforced; and, in my opinion, unless the amendment is carried, the Government will dispense with the services of men, not because they are incompetent, but because they have not volunteered, thus getting behind the verdict of the people, and giving a lead to private firms to indulge in what is termed outside "economic conscription."

Mr. WEBSTER.—You would let the returned soldiers starve.

Mr. CONSIDINE.—No, I would make the Government carry out the promises they made to the soldiers.

Mr. WEBSTER.—You did not make any promises to them, anyhow!

Mr. CONSIDINE.—Consequently I shall not be accused of breaking any promises. I only promise what I can carry out, and I make very few promises.

Mr. JOSEPH COOK.—I think I would drop the "I" if I were you.

Mr. CONSIDINE.—Possibly; but there is such a thing as teaching by example; and it may be that I am now where the Minister for the Navy was in his Republican days.

Mr. JOSEPH COOK.—You are a very brave man, there is no doubt!

Mr. CONSIDINE.—Not nearly so brave as I look, and I can assure the honorable gentleman that I am quite harmless, and he need have no fear. Whether the opinions I express meet with the approval of honorable members opposite or not does not concern me in the slightest, because the people who sent me here sent me to express those opinions.

Mr. JOSEPH COOK.—I do not think your opinions concern anybody else much.

Mr. CONSIDINE.—Possibly not; and there is very little that does concern the honorable gentleman once he gets on those benches. The amendment, if accepted by the Government, would enable them to say that it is not their intention to get behind the verdict of the people on the verdict of conscription. Of course, I know that what we say on this side does not make any difference, whether in regard to this or any other Bill. The Government have the majority, and are able to do what they like.

Mr. BOYD.—That is exactly what your Government did.

Mr. CONSIDINE.—I am not complaining because you are over there and I am here. If we were over there with a majority, we would put through our legislation. At present I am merely pointing out—that the idea behind this Bill is to force men out of employment because they have not volunteered. In the face of the decision of the people, it is not competent for this Government or any private firm to so act towards men who have not volunteered, for reasons of their

own, whatever those reasons may be. Private firms will take the lead now offered to them by the Government; indeed, in Western Australia already private firms have petitioned the State Ministry to refuse employment to men who have not volunteered.

Mr. BOYD.—Why do such men not go to a country where they need not fight.

Mr. CONSIDINE.—They exercise the right to please themselves, as the honorable member does. It was men who had fought for liberty in other countries, and who came here, that gave us the rights and liberties we now enjoy; and in this connexion no thanks are due to the honorable member or the interests he represents.

The TEMPORARY CHAIRMAN.—I must ask the honorable member to confine himself to the clause.

Mr. CONSIDINE.—I was pointing out that if the Government accept the amendment they will disabuse the public mind of the idea that it is their intention to exercise economic conscription.

Mr. SINCLAIR.—You do not mind "jockeying" the soldier out of a job!

Mr. CONSIDINE.—I am not "jockeying" anybody out of a job, but it is not right to remove a man from his present employment for the express purpose of employing a soldier. The amendment insures that such a thing will not be done; and I am sure that it will be, if the amendment is not passed.

Mr. BOYD.—Your doubts and beliefs do not affect our policy!

Mr. CONSIDINE.—No; and neither will what I say. For all practical purposes we on this side may save our breath; but we have been accused by the Minister for the Navy and others of holding up this Bill all the night, and grave exposures of the apparently foul designs of members on this side are being made. The whole thing is ridiculous.

Question—That the proposed new clause be added to the Bill—put. The House divided.

Ayes .. .	..	10
Noes .. .	..	31
	—	
Majority .. .	..	21

AYES.

Considine, M. P.	West, J. E.
Finlayson, W. F.	Yates, G. E.
Higgs, W. G.	
Maloney, Dr.	
Tudor, F. G.	
Wallace, C.	

Tellers:
Fenton, J. E.
Mathews, J.

NOTE.

Archibald, W. O.	McWilliams, W. J.
Boyd, J. A.	Palmer, A. C.
Cook, Joseph	Pigott, H. R. M.
Corser, E. B. C.	Poynton, A.
Fleming, W. M.	Rodgers, A. S.
Foster, Richard	Sampson, S.
Glynn, P. McM.	Sinclair, H.
Gregory, H.	Smith, Laird
Groom, L. E.	Spence, W. G.
Heitmann, E. E.	Story, W. H.
Hughes, W. M.	Watt, W. A.
Irvine, Sir William	Webster, W.
Lynch, J.	Wise, G. H.
Mackay, G. H.	<i>Tellers:</i>
Manifold, J. C.	Greene, W. M.
Maxwell, G. A.	Orchard, R. B.

PAIRS.

Anstey, F.	Abbott, General
Blakeley, A.	Bamford, F. W.
Catts, J. H.	Bayley, J. G.
Charlton, M.	Burchell, R. J.
Mahony, W. G.	Forrest, Sir John
McDonald, C.	Fowler, J. M.
McGrath, D. C.	Lamond, H.
Nicholls, S. R.	Ryrie, General
Riley, E.	Salmon, Dr. Carty
Watkins, D.	Smith, Bruce
Brennan, F.	Thomson, John
Page, J.	Best, Sir Robert

Question so resolved in the negative.
Proposed new clause negatived.

Title agreed to.

Bill reported with amendments; report adopted.

Bill read a third time.

ADJOURNMENT.

MEMBERS' NAMES IN "HANSARD."

Motion (by Mr. GROOM) proposed—
That the House do now adjourn.

Dr. MALONEY (Melbourne) [10.20].—I wish to make a suggestion to you, Mr. Speaker, which, if adopted, will be of advantage to honorable members, and also to people outside Parliament. Many of the general public are not aware of the name of the honorable member for Ballarat, or the honorable member for Balaclava, or of any other honorable member who is referred to in *Hansard* by the name of his constituency. I suggest that when the member for a constituency is mentioned, his surname should be printed in brackets, so that a person may read *Hansard* with more comfort than is possible at present. It was at my suggestion that we followed the practice of the Imperial Parliament in providing cards to be sent in to honorable members by visitors to the House, and I suggest that we again follow Imperial precedent in the matter I have just mentioned. Only

last week, in referring to *Hansard* of seven years ago, I had to turn to the front of the volume repeatedly in order to discover the name of the honorable member referred to in the course of debate. The thought struck me that if I, with my parliamentary experience, found difficulty in identifying honorable members by their constituencies, the general public would have even greater difficulty.

Mr. SPEAKER.—I think the honorable member's suggestion is one that would meet with the approval of honorable members. At any rate, it is worthy of consideration, and I shall confer with the Principal Parliamentary Reporter with that end in view.

Question resolved in the affirmative.

House adjourned at 10.22 p.m.

Senate.

Friday 10 August, 1917.

The PRESIDENT took the chair at 11 a.m., and read prayers.

PENSIONS OFFICERS: PERTH.

Senator NEEDHAM asked the Minister for Defence, *upon notice*—

1. Did the Military Head-Quarters, Perth, call for applications for first Pensions Officer?
2. If so, when were applications called for?
3. Were there any applicants?
4. Was an appointment made?
5. Were applications called for second Pensions Officer?
6. Has Major Milner been appointed to that position?
7. If so, will the Minister give particulars in connexion with this appointment?

Senator MILLEN.—This is a question which, affecting the Treasury, should have been addressed to the Minister representing the Treasurer. I understand that the answers to the questions are on the way. If the honorable senator will ask the questions at the adjournment hour I shall be pleased to give him the information.

AUSTRALIAN IMPERIAL FORCE.

MILK AND BUTTER RATIONS.

Senator MAUGHAN asked the Minister for Defence, *upon notice*—

1. Is it a fact that the New Zealand troops are supplied with milk and butter rations and the Australian Imperial Forces are not?

2. In view of Australia's great productive power in both of those commodities, and considering the nutritious character of both these foods, will the Minister see that the Australian troops are provided with such commodities in time for the coming winter?

Senator PEARCE—The answers are—

1. New Zealand troops are supplied with milk and butter as a part of daily rations. Australian troops can obtain condensed milk as an "in lieu" ration. Butter is not issued as part of ration.

2. The present ration issued to Australian soldiers is a liberal one, and the Australian rates of pay to soldiers are more favorable than those paid to New Zealand soldiers. Taking these facts into consideration, and the heavy cost involved, it is not proposed to alter the ration scale in the direction indicated.

DESPATCH OF OVERSEAS MAIL.

Senator MAUGHAN asked the Minister representing the Postmaster-General, *upon notice*—

Referring to the following announcement in the *Herald* of Wednesday, 8th August, 1917:—"Following upon the dislocation of services as a result of the strike, the closing of mails to America and the United Kingdom, which was fixed for to-day, was postponed indefinitely. Mails for Raratonga and Papeete have also been postponed; but the New Zealand mail, which closed at 4 p.m., will not be affected"—

1. Is it not a fact that the trains from Melbourne to Sydney left as usual on the date advertised for the despatch of the American mail, viz., Wednesday, 8th August, 1917?
2. Why was not this mail (which included mail for our soldiers abroad) despatched on the trains named?
3. Will the Minister state when this particular mail will be despatched?

Senator RUSSELL.—The Postmaster-General cannot undertake responsibility for statements that appear in the press other than in official notifications from the Department. The answers to the specific questions asked are—

1. Yes.
2. Because of the postponed departure from New Zealand of the vessel which was to convey them.
3. About the 14th instant, by another route.

COMPANY FLOTATION.

LABOUR NEWSPAPER.

Senator MAUGHAN asked the Minister representing the Treasurer, *upon notice*—

1. Is it a fact that registration has been refused to a company desiring to establish a Labour newspaper in Toowoomba (Darling Downs, Queensland)?

2. If so, upon what grounds has such registration been refused?

Senator MILLEN.—The answers are—

1. Yes.

2. The application was refused in conformity with the principles governing the restrictions on company flotation, viz., that the proposed company being for neither producing nor manufacturing purposes, was not a necessity at the present time. Further, on account of the scarcity and high price of printing paper, the present was an inopportune time for the establishment of additional newspapers. The decision was in conformity with rulings given by previous Treasurers.

PUBLIC SERVICE BILL.

Bill received from the House of Representatives, and, on motion by Senator MILLEN, read a first time.

RAILWAYS BILL.

In Committee (Consideration resumed from 9th August, *vide* page 902):

Clause 12—

(1) The Minister may remove any Commissioner from office on an address praying for his removal being presented to the Governor-General by the Senate and the House of Representatives respectively in the same session of the Parliament or by the House of Representatives alone in two consecutive sessions thereof: Provided that not less than six weeks have intervened between such addresses when made by the House of Representatives alone.

Senator FERRICKS (Queensland) [11.5].—When progress was reported yesterday evening I was endeavouring to show the unfair discrimination which is made in this clause between the respective Houses of the National Parliament. I was pointing out the evil effects which might arise if further Federal railways were built, linking up, say, Western Australia and South Australia with New South Wales. There would be in the House of Representatives an absolute majority of thirty-nine members representing those three States, and, of course, they could dominate matters as they pleased. But taking the case of

the east-west railway, Victoria has twenty-two representatives in the other House, South Australia seven, and Western Australia five, or a total of thirty-four members who might, with every justification, and in the best interests of their respective States, and believing, perhaps, that they were doing the best thing in the interests of Australia, constitute themselves a solid body to support this project. An active party of thirty-four men in a House of seventy-five members is very material, because we know from our experience of parliamentary life what four or five men, acting together, can do in even a House of seventy members, for instance, in the matter of a “stone-wall.”

I do not desire to amplify my remarks, but I cannot conceive of the motive which actuated the Minister for Works and Railways in putting before Parliament a provision of this sort. It was very pertinently pointed out yesterday by Senator Bakhap in an interjection that such power is not given to the House of Representatives to the exclusion of the Senate in the case of the Judges of the High Court, that House not having the power to remove a Judge without the concurrence of the Senate. Nor has it that power in regard to members of the Inter-State Commission, who, if they were to be displaced, would have to meet that fate at the hands of both Houses acting concurrently. Just to point out the existence of an anomaly, I refer honorable senators to clause 60, which lays down the principle that the construction of no new railway can be authorized without the concurrence of both Houses of Parliament. While it is necessary to invoke the concurrence of the Senate in the construction of a new railway, after that line has been constructed, and the first cost entailed, another branch of the Legislature alone can virtually have power to direct the policy of the railway. In the construction of railways we all know that the first cost is not the only cost, and I may go so far as to say that it is not the main cost. The main factor is the revenue-producing abilities of the railway during its tenure of operations. I hope that the Government will give sympathetic consideration to the amendment I intend to move, and if it be indorsed by the Senate I sincerely trust that never again will a Minister in another chamber take such

action as was taken in clause 12 of this Bill. I move—

That the words “the House of Representatives alone,” lines 6 and 7, be left out, with a view to insert in lieu thereof the words “either House of the Parliament.”

Senator DE LARGIE.—Either House?

Senator THOMAS.—Why not both Houses?

Senator RUSSELL.—May I suggest to Senator Ferricks that he would accomplish his object by stopping at the word “Parliament,” in line six.

Senator BAKHAP.—You do not want to give the power to one House of the Legislature.

Senator FERRICKS.—It is given in clause 12.

Senator O'KEEFE (Tasmania) [11.15].—I was about to look up the provision in the Judiciary Act, and the Inter-State Commission Act. Speaking from memory, I think that neither of those Acts makes the peculiar discrimination which is sought to be made in this clause. I am at a loss to understand how the provision, worded as it is, came to be passed in another place, and why it was submitted here without any special reference to it by the Honorary Minister. Section 3 of the High Commissioner Act reads—

1. The High Commissioner shall be appointed to hold office, subject to this Act, for a period not exceeding five years from the date of appointment, and shall be eligible for re-appointment.

2. The High Commissioner may at any time be removed from office by the Governor-General for misbehaviour or incapacity, or upon a joint address of both Houses of the Parliament.

That provision is very clear, plain, and simple, and I believe that a somewhat similar provision is contained in the Judiciary Act, and the Inter-State Commission Act. In none of these cases is it mentioned that an official may be removed on a petition from one House of the Parliament. My attention has been drawn to section 9 of the Inter-State Commission Act—

1. The Governor-General may suspend any Commissioner from office for misbehaviour or incapacity. The Minister shall, within seven days after the suspension, if the Parliament is then sitting, or if the Parliament is not then sitting, within seven days after the next meeting of the Parliament, cause to be laid before both Houses of the Parliament a full statement of the grounds of suspension.

2. A Commissioner who has been suspended shall be restored to office unless each House

of Parliament within forty days after the statement has been laid before it, and in the same session, passes an address praying for his removal on the grounds of proved misbehaviour, or incapacity.

Exactly the same provision is made in that Act as in the Judiciary Act, and the principle of concurred-consent has been recognised all through our legislation. It will be interesting to know why this particular method of dealing with incapacity or misbehaviour on the part of a Commissioner has been put in this Bill. Was it a notion of the Minister for Works and Railways, Mr. Watt, who thinks, as an honorable senator opposite when he was in another place always thought, so far as I was able to judge from his conversation, that the Senate should not have equal powers with the House of Representatives.

Senator DE LARGIE.—Whom does he mean?

Senator O'KEEFE.—I mean Senator Thomas, who is smiling because I happen to be taking this stand.

Senator THOMAS.—Do you refer to a conversation with me?

Senator O'KEEFE.—Not to a private conversation. The honorable senator knows that I would not refer here to private conversations with him. But after all, he jokes so much that one does not always know whether he is in earnest or jesting. I have a pretty shrewd idea that when he was a member of another House he did not think that the Senate should have the same rights in all respects as that House, but now that he has been transferred to the more sedate and rarer atmosphere of the Senate, he will, I am sure, be just as anxious as any other honorable senator to uphold its rights.

The CHAIRMAN.—Order! The honorable member is not in order.

Senator O'KEEFE.—Do you, sir, rule that I am not in order in stating that an honorable senator, now that he has been transferred here from another place, should be just as anxious as any other honorable senator to conserve the privileges of the Senate? If you rule in that way I shall have to disagree with the ruling.

The CHAIRMAN.—You are getting pretty close to the margin.

Senator O'KEEFE.—Without wishing to argue with you, sir, I do not know how much closer I can get to the subject under

discussion than to say that one honorable senator here will probably be as anxious as any other honorable senator to conserve the privileges of the Senate.

Senator THOMAS.—Why should we not all be?

Senator O'KEEFE.—The subject under discussion is whether or not the privileges of the Senate are to be conserved by its members. If the Railways Commissioner is to be removed for proved incapacity or misbehaviour, it should be done by an address from both Houses and not by an address from one House. I do not agree with the suggestion by Senator Ferricks that this right should be exercised by either House, though I submit that if the privilege is to be extended to one House it should certainly be extended to the other. We should make it clear that the Commissioner shall not be removed except upon a joint petition from both Houses, and I am sure this course would safeguard the rights of every official.

Senator RUSSELL (Victoria—Honorary Minister) [11.17].—The Government sees no objection to the amendment moved by Senator Ferricks, but I suggest that his purpose would be achieved by striking out all the words of the sub-clause after "Parliament." The sub-clause would then read—

(1) The Minister may remove any Commissioner from office on an address praying for his removal being presented to the Governor-General by the Senate and the House of Representatives respectively in the same session of the Parliament.

I think a mistake was made by lifting this clause from the Victorian Act, and as honorable senators know, the Upper House in the Victorian State Legislature is constituted on lines different from the Senate. We do not desire that the Commissioner shall be removed lightly, but if it is the desire of Parliament to remove him, that power should only be exercised by an address from both Houses.

Senator FERRICKS.—I will accept the suggestion of the Minister, and move—

That all the words after "Parliament," in sub-clause 1, be left out.

Amendment negatived accordingly.

Senator THOMAS (New South Wales) [11.20].—I understand we are not discussing either the privileges of the Senate or its constitution, and, therefore, I can hardly understand why Senator O'Keefe should have made reference to me, because

I had not said a word about the Bill or this particular clause.

Senator O'KEEFE.—We want to get you converted.

Senator THOMAS.—I am not aware that we are discussing the bicameral or the single chamber system of legislation. The question under review is the removal of the Railways Commissioner, and so long as we have the bicameral system in operation, this authority must be exercised by both branches of the Legislature. I desire that the Railways Commissioner should be removed as far as possible from political control; but if power to remove him is vested in one House—in this case in the House of Representatives—the Commissioner will be absolutely under political control, because the fate of the Government might depend on whether he should be removed or not. Even now I think the Bill places too much power in the hands of the Minister, and personally I should like to see greater authority vested in the Commissioner. Personally, I would rather the privileges of both Houses should go by default if, as a result, we could get a better railway service. I would not have supported Senator Ferricks' amendment in its original form.

Senator FERRICKS.—Would you have voted for clause 12 in its original form, giving power to the House of Representatives to remove the Commissioner?

Senator THOMAS.—No, but I will gladly support the amendment in the form suggested by the Minister, and I do that, not to protect the privilege of either House, but merely because I think we shall be removing the Commissioner from political influence.

Senator DE LARGIE (Western Australia) [11.22].—I compliment Senator Ferricks on having brought this matter forward, but I do not agree with Senator Thomas in his reference to the rights and privileges of the Senate. As I understood him, he cares very little whether the privileges of this Chamber are swept away, provided we can get a better railway system, and it would seem, from his remarks, that the Parliament of the country is of less consequence than its railway system. I would not go so far as that, because I have a lively recollection of the most outrageous incident in connexion with the construction of the trans-Australian railway. I refer to the laying of charges and the removal of a high official from his position, viz., Mr. Chinn,

the supervising engineer. Those charges were investigated by a Royal Commission, Mr. Justice Hodges, a Judge of the Victorian Supreme Court, being the Commissioner, and not a single one proved against him. The officer was reinstated, but when a change of Government took place, so strong was the prejudice against this officer that he was removed. I do not mean to say that it was altogether on account of political bias, because there were other prejudicial influences of a personal and social kind operating against him. The Senate took up the matter, and a Select Committee, which was appointed to inquire into his case, unanimously recommended that he be reinstated. That recommendation, however, was not adopted, and this man's privileges, and, indeed, almost his very right to earn a living, were ignored. We do not want a repetition of such an incident. It is right that every individual should get a fair deal, and it is well, therefore, that the privileges of the Senate in regard to matters of this kind should be jealously safeguarded. In accepting the amendment, with the object in view, the Government is acting wisely.

Senator NEEDHAM (Western Australia) [11.26].—The thanks of the Committee are due to Senator Ferricks for having discovered this flaw in the clause under discussion. I cannot understand how it found its way into the Bill in its present form. It appears to me that the Minister who introduced the measure in another place was either indifferent or was a party to this attempt to wrest from the Senate its undoubted rights.

Senator MILLEN.—The Government is meeting you on that point.

Senator NEEDHAM.—I am glad to know that, because the Senate has almost co-equal rights with the other branch of the Legislature, and I cannot understand how the clause escaped the attention of seventy-five gentlemen in another place.

Senator DE LARGIE.—It does not follow that it did escape their attention.

Senator NEEDHAM.—Perhaps, as Senator de Largie suggests, they desired the clause to pass in its present form. If so, it was nothing more or less than a reflection on this branch of the Legislature, and I am glad Senator Ferricks called attention to it. This incident should teach us to scrutinize even more carefully in the future all measures coming from another place. I congratulate Senator

Thomas on having realized that, after all, the Senate is of some use, because I remember that when the honorable gentleman was a member of another place he used to look with scorn upon the Senate.

Senator THOMAS.—I cannot say that I have altered my views very much in that matter.

Amendment, as amended, agreed to.

Clause, as amended, agreed to.

Clauses 13 and 14 agreed to.

Clause 15 (Preservation of rights of person appointed Commissioner).

Senator GRANT (New South Wales) [11.31].—I should like to know from the Minister in charge of the Bill whether the Railways Commissioner will be entitled to a pension upon his retirement from office?

Senator RUSSELL.—No. There is no provision for the payment of any compensation or pension to him on the expiration of his term of service.

Clause agreed to.

Clause 16 agreed to.

Clause 17—

No rates, tax, or assessment shall be made, charged, or levied upon any railway or other property vested in the Commissioner, except as may be sanctioned by the Minister.

Senator SENIOR (South Australia) [11.32].—I desire to direct attention to an anomaly in connexion with this clause. It frequently happens that the railway authorities purchase land outside of railway property, and erect buildings thereon for the convenience of their officers. These dwellings are often situated within a township or municipality. In such cases the municipality is compelled to provide footpaths, roads, &c., without receiving any payment for the services which it renders. I consider that when buildings are erected on land outside of railway property, the persons occupying them become ordinary citizens, and should contribute to the municipal rates in common with other citizens.

Senator EARLE.—Does not any town benefit considerably from the construction of a railway?

Senator SENIOR.—That is a curious argument to advance.

Senator HENDERSON.—The very presence of a railway is a compensation to the municipality.

Senator SENIOR.—If my honorable friend had had municipal experience—

Senator HENDERSON.—Oh, I know all about it.

Senator NEWLAND.—There have been dozens of law cases in South Australia over this very matter.

Senator SENIOR.—Exactly. The municipalities are obliged to discharge certain functions for which the railway officers pay nothing.

Senator RUSSELL.—We shall pay all reasonable charges, but we cannot permit a municipality to tax the Commonwealth.

Senator SENIOR.—My point is that this clause will give the Commonwealth power to appropriate certain benefits without paying anything for them.

Senator RUSSELL.—We will pay for them.

Senator SENIOR.—I think that the Minister will recognise the justice of the claim which I have advanced. If I receive a privilege I am surely expected to pay for it. The same argument should apply to the Commonwealth.

Senator EARL.—The presence of a railway increases the value of land in its vicinity a hundredfold.

Senator SENIOR.—Then the honorable senator's argument is that the municipality ought to contribute to the railway?

Senator RUSSELL.—At the present time no municipality has the power to tax the Commonwealth. This clause will enable the Minister to make an arrangement under which he will pay for municipal services.

Senator SENIOR.—Then the matter is to be one of arrangement with the Minister?

Senator RUSSELL.—This clause makes it legal for the Minister to authorize payment for such services.

Senator SENIOR.—A municipality has of necessity to perform certain duties, but apparently it is to have no claim to be paid for the discharge of those duties. I wish to remove that anomaly. When the Railways Commissioner goes outside of lands purchased for the construction of railways and erects buildings upon lands within a township, he should be subject to the same conditions as are other residents of the place.

Senator BARKER.—It should be quite the other way, I think.

Senator SENIOR.—I am not responsible for any twist in the mind of the honorable senator. I know that considerable litigation has resulted from the anomaly, and that there has never been any attempt made to evade the claim of a municipality on the ground of equity.

It is because the existing arrangement is an inequitable one that I have called attention to it.

Senator THOMAS.—If the Railways Commissioner assists to beautify the municipality the honorable senator would tax him for it?

Senator SENIOR.—It is not a question of whether he assists to beautify a township, or whether he enhances the value of property in the neighbourhood. For any services that he renders he has a right to exact payment. In such circumstances I fail to understand why he should not pay for the services that he receives.

Senator THOMAS.—If he puts up a fine building in a municipality he should be taxed for doing so?

Senator SENIOR.—He should contribute to the municipal rates in just the same way as do other citizens.

Senator THOMAS.—Why a man should be taxed for rendering a service to the community I do not know.

Senator SENIOR.—For every service rendered by the Railways Commissioner he is entitled to receive payment. When once that is conceded, my contention that he should pay for any benefits that he derives from a corporation, becomes unanswerable.

Senator HENDERSON.—The honorable senator's contention is very weak.

The CHAIRMAN.—Order! These interjections are distinctly disorderly.

Senator HENDERSON.—Do not stonewall the Bill.

Senator SENIOR.—I resent the suggestion that I am stonewalling. I think that rates and taxes should be levied on the Railways Commissioner equally with other citizens in respect of buildings which are within the corporate town. But I certainly would not tax, for example, a stationmaster's house which was situated on railway property. To illustrate my point, I may mention that at Terowie there are a number of railway employees living outside of railway property. They constitute a large portion of the inhabitants of the township.

Senator Colonel ROWELL.—But they are liable for municipal rates.

Senator SENIOR.—They are not. Thus an added burden is thrown on the other inhabitants. I quite admit that municipalities should not be permitted to tax employees who are resident on railway property. But it frequently happens that

—as in the case of Hamley Bridge, where there is a break of gauge—the buildings are erected by the Railways Commissioner outside of railway property, and those buildings are occupied by railway employees. In such cases, the Commissioner I contend, should contribute to the municipal rates, just as ordinary citizens do. The clause leaves it entirely to the discretion of the Minister to pay rates, taxes, or assessments, and thus makes it, in a sense, a matter of charity on his part.

Senator RUSSELL (Victoria—Honorary Minister) [11.45].—I think the Committee will be unanimous in agreeing to the clause when it is properly understood. I remind Senator Senior that the Government are, in this clause, endeavouring to do what he desires, not by permitting the compulsory taxation of Commonwealth properties, but by mutual arrangement. Section 114 of the Constitution provides that—

'A State shall not, without the consent of the Parliament of the Commonwealth, raise or maintain any naval or military force, or impose any tax on property of any kind belonging to the Commonwealth.'

No other power in Australia can tax the supreme power of the Commonwealth without the consent of this Parliament. That is a perfectly sound and well recognised principle. Under clause 17 of this Bill, by the sanction of the Minister, and that is to say by mutual arrangement between a municipal or other authority and the Minister or Commissioner of Railways, permission may be given for the payment of rates, taxes, or assessments upon property vested in the Commissioner. For instance, if we take the case of the Flinders-street station, the Metropolitan Board of Works has no power to tax the Victorian Government to meet the cost of sewerage works which might run into thousands of pounds. Under such a provision as clause 17 the Railways Commissioners of Victoria would be enabled to come to some arrangement with the Metropolitan Board of Works in respect of the advantage to the Flinders-street station due to the sewerage system provided. Despite the experience of Senator Senior on some parochial council in South Australia, I think it is the wish of members of this Parliament generally that the Commonwealth should liberally recognise the value

of services rendered to it. Clause 17 will make it legal for the Commissioner, with the consent of the Minister, to pay charges in respect of property vested in the Commissioner. I hope that the Committee will pass the clause, and trust to our having a generous Minister for Railways, who will be prepared to deal fairly with the municipal corporations concerned in this matter.

Senator GRANT (New South Wales) [11.50].—I can quite understand the contention put forward by Senator Senior, but I hope the Committee will not agree to what he proposes. The clause from my point of view is exceedingly objectionable, because it reflects the conservative, obsolete, and exploded idea that is still, I regret to say, followed largely in South Australia, and entirely in Victoria, under which, if a man dares to employ any person in the improvement of his property, he is immediately pounced upon by Lord Mayor Hennessy and other persons holding similar position, and compelled to pay taxation in proportion to the improvement of his property. It is seriously proposed in this Chamber to-day that we give the Minister for Works and Railways power to enable the Commissioner to consent to the levy of taxation upon improvements. In New South Wales that principle of taxation was wiped out years ago. There was a deputation here the other day of a number of Victorians begging for employment, and that kind of thing is largely caused in Victoria by the practice of fining any man who dares to employ a worker in the building trade. I hope the Committee will not include in this Bill any provision to enable the Commissioner for Railways to agree to the taxation of improvements upon property vested in him.

Senator RUSSELL.—Suppose we desired to have water supplied by a water trust to a railway station for our locomotives, the honorable senator would urge that we should not pay anything for it. In that case we should get no water.

Senator GRANT.—I could mention many municipalities in New South Wales where the owner of a vacant block of land who uses no water has to pay just as much in water rates as a man living upon the adjoining block, and making full use of the water.

Senator RUSSELL.—May I ask, on a point of order, whether the honorable senator is in order in discussing the general principles of the single tax on this Bill?

The CHAIRMAN.—If I thought the honorable senator were out of order I should call him to order.

Senator GRANT.—I regard this clause as making possible, by consent of the Minister, the levy of a direct tax upon industry. I move—

That the words "railway or other property" be left out, with a view to insert in lieu thereof the words "land values."

Senator RUSSELL.—The honorable senator proposes to leave in the final words of the clause, thus giving power to the Minister to sanction taxation on land values.

Senator GRANT.—I have no objection to the Minister having that power, but I object to giving him any power to consent to the taxation of anything but land values. I can understand Senator Senior being concerned about municipal councils in South Australia being unable to impose rates upon property away from railway lines vested in the Railways Commissioner. That does appear to be unfair, but in this connexion I direct the attention of honorable senators to the fact that, for a very good reason, the head office of the Commonwealth Bank was erected in Sydney. The municipal council of Sydney, where the foolish idea so persistently followed in Victoria of taxing improvements has been abolished, considered that some revenue should be derived from the block of land upon which the Commonwealth Bank now stands. They did not suggest that they should be permitted to levy a tax in proportion to the value of the improvements made on that block, but they did suggest to the Governor of the Commonwealth Bank that he should make a contribution to the municipal council to enable them to keep the footpaths and streets in front of that magnificent building in proper repair. I am glad to say that the Governor of the Commonwealth Bank agreed to contribute the sum of, I think, £1,000 per annum for the purpose. That is a voluntary contribution to the municipal council of Sydney. I should have no objection to an arrangement of that sort, but I do protest against giving the Minister power to consent to the fining

of people who employ labour in the improvement of their property.

Senator THOMAS (New South Wales) [11.58].—I look upon this matter quite differently from Senator Senior, but I am not prepared to go so far as Senator Grant would suggest. Failing to achieve what I desire, I should, however, be prepared to support Senator Grant's amendment. I should prefer that the words "except as may be sanctioned by the Minister" be struck out. The Commissioner then could not pay any tax or assessments.

Senator RUSSELL.—How would we get a station sewered?

Senator THOMAS.—I remind honorable senators that a very big question is being raised, which has been fought out since the establishment of Federation, and that is whether Federal Government buildings should pay municipal taxation. I have always been opposed to that. In this clause the Government appear to me to be making an important and dangerous concession. If under this provision the Railways Commissioner pays a single sixpence of municipal taxation, that may be followed by a claim that the Postmaster-General should pay municipal rates upon all post-offices throughout Australia.

Senator SENIOR.—The letter-carrier pays to-day.

Senator THOMAS.—In respect to his house the letter-carrier pays rates, and so does the honorable senator, I take it.

Senator SENIOR.—But the district engineer does not.

Senator THOMAS.—A municipality desires a post-office to be erected within its confines; and, as honorable senators know, it asks for a good building—a building which sometimes is quite beyond what is needed for the actual work to be done; but, in order to give a certain amount of beauty or respectability to a particular part of the town, the municipal wish is acceded to.

Senator CRAWFORD.—Senator Senior's argument was in relation to a private residence.

Senator THOMAS.—It is the same question. Once a Government Department concedes this point in regard to any building which it has put up to carry on its work, a whole avalanche will fall. I suppose that time and again honorable senators have received from municipalities

letters asking that the Commonwealth Government should pay rates, but up to the present I think the claim has successfully and rightly been resisted.

Senator Colonel ROWELL.—It has been said that the Commonwealth Bank has agreed to pay £8,000 in rates.

Senator THOMAS.—That is not a bad precedent. Who will pay the rates to the municipality? Of course, it will be the members of the community. Everybody pays for letters and telegrams.

Senator CRAWFORD.—But the Commonwealth does not ask the States to carry its mails for nothing.

Senator THOMAS.—No, because the States are doing something for the Commonwealth.

Senator CRAWFORD.—So are the local authorities.

Senator THOMAS.—It comes back to the same people in the long run. This claim has been raised again and again in the other House, but it has always been turned down. Strong pressure was brought to bear by municipal councils, but so far the Commonwealth Government have been successful in resisting it. By including this provision in the Bill the Government did an act which will take us a long road. Once this claim is recognised, it will cost the Commonwealth many hundreds of thousand of pounds, if not millions, in taxes. I shall be glad to see the provision excised, but if that is not done I am prepared to support Senator Grant that the rates shall only be levied on the land values.

Senator RUSSELL (Victoria—Honorary Minister) [12.5].—I trust that on this clause we are not going to have a general discussion on the principles of taxation. It has nothing whatever to do with the question of taxation. All that it does is to empower the Minister to sanction the levying of rates upon any railway or other property vested in the Commissioner. For the Lithgow Rifle Works we derive our supply of gas and power from the municipality. Would it render those services if we did not pay for them?

Senator McDougall.—This clause gives the municipality the right to levy a tax.

Senator RUSSELL.—No; it provides that no levy shall be made upon railway property except with the sanction of the Minister. If the honorable senator will look at the definition of "levy" he will find that he is in a difficulty. Again, take the Commonwealth Clothing Factory,

which is operated with electric machines. The electric light is supplied by the City Council. Surely honorable senators would have the electric light supplied to a railway station if it were available. The municipal authorities could not impose an electric light tax on the Commonwealth Government, but the latter makes a contribution for the service which is equal to the amount of the tax.

Senator THOMAS.—That is not what Senator Senior is asking for.

Senator RUSSELL.—He is asking for a municipality to have the direct power to tax the property of the Commonwealth. If he desires to secure that power to a municipality he must resort to the ordinary constitutional procedure of getting a measure carried through both Houses, and submitted to the electors by means of a referendum, when, if it is carried by the necessary majorities, he will attain his wish. This Bill has nothing to do with the question. Under the Constitution no power in Australia can tax the Commonwealth. Leave out the clause, and there will be an end to the matter, but we desire to be generous to the municipalities and to do a fair thing when they help us.

Senator FERRICKS.—Up to the present time, have not all Commonwealth Departments paid for light, water, and so forth?

Senator RUSSELL.—Yes.

Senator FERRICKS.—Can they not continue to do that?

Senator RUSSELL.—We will continue the payment, whatever is done with the clause, because common sense suggests that we must make arrangements for these services. No point is involved in this clause. It is merely a provision to continue what we are doing now.

Senator SENIOR (South Australia) [12.9].—I can quite understand the Honorary Minister arguing for the clause as it stands, but let honorable senators consider how public utilities are being increased everywhere. The Minister has just mentioned the supply of gas to the Commonwealth, and, as honorable senators are aware, very often gas works are municipally owned. Lighting works, water-works, police buildings, post-offices, in fact Government buildings generally, might all claim, as the Railways Commissioner will claim, to be exempt from municipal taxation.

Senator BAKHAP.—How do you get over the constitutional point raised by the Minister?

Senator SENIOR.—That point has to be raised at some time. The South Australian Government recently acquired the wharfs at Port Adelaide. The rates from the wharfs represented a very large percentage of the money received by the corporation. The acquisition of the wharfs has brought very great trouble to it. Again, take the case of Port Augusta. This provision, if passed as it is, will mean that there will be a dual Government staff, and that each one will be free from the liability to pay any tax to the municipality. The letter-carrier, the letter-sorter, and the telegraph operator are all citizens of the corporation, and pay the municipal rates; but the district foreman, who is an officer of the Commissioner of Railways, may reside within the corporation, and although his neighbour may be a letter-sorter or a letter-carrier, who pays rates and taxes, and is, like himself, a Government officer, yet, because he is living in a Government cottage, he will not pay municipal rates, nor will the Railways Commissioner. Is it equitable that one Government officer should contribute to the municipal funds, and that another Government officer should be exempted? I am putting a case which crops up a thousand times. It is a most unfair position. The Minister may shelter himself behind the point that an arrangement may be made with the sanction of the Minister, but is not that a covert acknowledgment that some contribution is due from the Government? If it is so due it should come to the municipality in the same way as a contribution which is due from an individual. The Government can put a man into a house, and he can enjoy all the advantages which other citizens have provided and yet not pay a penny to the municipality. I ask honorable senators to look at the matter from an equitable point of view, and if they do I think they will acknowledge that something more than this should be done. The Minister is sheltering himself behind the Constitution.

Senator RUSSELL.—Do you think we have the power to alter the Constitution by an Act of Parliament?

Senator SENIOR.—No.

Senator RUSSELL.—Then, why do you say that I am sheltering myself behind the Constitution? I simply pointed out the difficulty which confronts you.

Senator SENIOR.—The Minister admits in the Bill that the Government should do a fair thing.

Senator RUSSELL.—Hear, hear! And we have done all that we possibly can. We have gone the maximum.

Senator SENIOR.—If that position is admitted here, and a case should crop up by-and-by, I shall be quite satisfied. I have seen the application of this principle result so injuriously that I was very anxious that when the question did arise here it should be cleared up thoroughly. I accept the Minister's statement that it is clearly understood that the Commonwealth Government, like a citizen, should take its fair share of the responsibilities which rest on a citizen.

Senator THOMAS (New South Wales) [12.14].—I confess that I cannot quite follow the Minister: probably it is my own fault, as he always speaks clearly. He told us that under the Constitution no rates, taxes or assessments can be levied on Commonwealth property by a municipality. He said that both Houses could not impose that obligation upon the Railways Commissioner.

Senator RUSSELL.—Not by an Act of Parliament.

Senator THOMAS.—This clause is going to do what the Minister says both Houses cannot do. We are given to understand that only as the outcome of a successful referendum can any municipal rates be levied on Commonwealth property.

Senator RUSSELL.—This clause does not give power to tax, but it gives power to enter into a mutual contract.

Senator THOMAS.—The Minister is prepared to allow the Railways Commissioner to go behind the Constitution.

Senator RUSSELL.—Did we not do the same thing in regard to income tax?

Senator THOMAS.—In that case an Act of Parliament was passed. The Minister says that while the Government cannot do this constitutionally, it may be done with the sanction of the Minister, and as the result of a mutual arrangement. I do not think the Constitution lays it down that the Commonwealth cannot pay rates or taxes, but I understand it does provide that a State Government or any

other local authority cannot compel the Commonwealth to pay local rates or taxes, and that, obviously, is the meaning of the clause under discussion.

Senator RUSSELL.—A similar section appears in the Postal and other Acts.

Senator THOMAS.—The Commonwealth pays for gas, electric light, and similar services, but in this clause it is provided that assessments for rates or taxes shall not be made except with the sanction of the Minister, and Senator Senior is asking for the payment by the Commonwealth of municipal taxation.

Senator SENIOR.—The same as any other citizen.

Senator THOMAS.—Yes, that is so. If, say, the National Bank or the Bank of New South Wales erected premises at Terowie, in South Australia, all municipal taxes would have to be paid in respect of the property; but a Commonwealth post office would escape the municipal tax. This is a principle that has been fought for ever since Federation was established, and apparently the exemption of Commonwealth property has been included in other Acts.

Senator NEWLAND (South Australia) [12.20].—It is a very good thing that this discussion has taken place, because it will indicate the views of honorable senators and also the attitude of the Government as to the future. I point out that in Port Augusta alone the Government have acquired the whole of a section of the town known as Conway Town for the erection of public buildings and residences for employees.

Senator NEEDHAM.—Subject to certain restrictions by the South Australian Government?

Senator SENIOR.—No.

Senator NEWLAND.—The whole place has been bought outright. In addition, the Commonwealth several years ago purchased four or five cottages in the centre of the town, and also erected a residence for the resident-engineer, who has been living there ever since the railway was started. If the Commonwealth is not to be liable for municipal rates and taxes who is going to lay down and maintain the roads and footpaths at Conway Town?

Senator RUSSELL.—I said there was no power under the Constitution obliging the Government to pay.

Senator NEWLAND.—If the Commonwealth is not to pay the municipal rates

and taxes, who will prepare and maintain the streets in Conway Town when Commonwealth houses are erected in that section, and who will pay the cost of filling in the inequalities of the land to keep the sea water out of the back yards of those residences?

Senator McDougall.—The Commonwealth will do all that, and keep the streets in order.

Senator NEWLAND.—The Commonwealth Government has not contributed one penny piece up to the present time.

Senator RUSSELL.—Under this clause the Commissioner will have power, with the consent of the Minister, to review the whole position and make a mutual arrangement.

Senator NEWLAND.—I am not quarrelling over that, but I would point out that if it is optional for the Minister, or Railways Commissioner, to pay the municipal rates, the burden falls upon the rest of the taxpayers. This is manifestly very unfair, and the position should be rectified in the Bill. I accept the Minister's assurance, and I know that the fair thing will be done. The time may, however, come when the Commonwealth will refuse to pay rates and taxes of this description, and this discussion on the subject will indicate to the people the attitude of honorable senators towards the proposal.

Senator FERRICKS (Queensland) [12.23].—It seems to me that Senators Grant and Thomas are absolutely sound in their arguments, and that a most vicious principle is sought to be introduced in this Bill. Even if the same principle does exist in the Post and Telegraph and other Acts, that is not to say that it should be indorsed in this Bill. Senator Newland pointed to the inequality in the burden imposed on the community generally by the man who escapes his fair portion of taxation. This inequality has been in evidence throughout the whole of our history of land settlement in the case of large landholders, and still there has never been any serious objection to it. Lest I should be getting away from the subject under discussion—although I do not think I am, in view of the amendment moved by Senator Grant—I would point out that a holder of 640 acres of unused agricultural land does not pay his due proportion to the upkeep of roads adjacent to his property in comparison with an adjacent holder of 160 acres. It has been argued, however, that, after all, the community

is only spending its own money, and, in a sense, that is true.

Senator RUSSELL.—Suppose the single-tax system were in operation at Port Augusta, and the municipality wanted to tax railway property on that principle, it could be done with the consent of the Minister. That is the effect of the clause.

Senator FERRICKS.—The object of Senator Grant's amendment, I take it, is to exclude railway property, but I think this question of charges has been convincingly dealt with by Senator Thomas. Hitherto we have been paying for all our supplies of pens, ink, and paper, for our gas and electricity and water services, as ordinary commercial charges, and surely this principle may be extended. For the past seventeen years there has been an insistent demand concerning the right of the lesser bodies to tax the Federation, and without endeavouring to give party colour to this question, I ask honorable senators to imagine what kind of a time the National Parliament, with a Labour Government in power, would get at the hands of the States municipal and shire councils, in regard to assessments on Commonwealth properties. Gigantic deficits would probably be created, and, therefore, I am not prepared to allow these smaller governing bodies to dictate to the Federation what taxation should be paid. I shall support the amendment, and, if necessary, go even further than Senator Thomas suggests.

Senator RUSSELL (Victoria—Honorary Minister) [12.29].—Senator Ferricks appears to be under a misapprehension with regard to this clause and the amendment, for he practically makes it appear that it is a question of land tax as against other means of taxation. The amendment is put in a negative way—

No rates, tax, or assessment shall be made, charged, or levied upon land values. No tax can be levied upon land values unless with the consent of the Minister. In some districts in New South Wales there are land valuers. In that State the municipal authorities provide such public utilities as roads, streets, electric light, gas, &c. Under this clause they will be able to say to the Railways Commissioner: "Under the Commonwealth Constitution we have no power to tax you, but surely you are going to contribute something to our municipal rates in return for the services we have rendered you?"

Senator McDougall.—But we cannot allow them to say what our contribution shall be.

Senator RUSSELL.—The Minister can arrange to pay for all these services. A similar clause has been embodied in every Railways Act for the past seventeen years. The Railways Commissioner will have no power to pay for any of these services unless he is authorized to do so by this Bill.

Senator THOMAS.—The Minister stated just now that the Constitution would not permit of the municipal authorities taxing the Commonwealth.

Senator RUSSELL.—That is so. I am afraid that honorable senators are mixing this matter up with some high principle, when it is simply a question of whether we are going to be honest with our tradesmen. We all know that most public utilities are supplied by the municipalities, and that the people in those municipalities pay rates in return for such services. But as no municipality has power to tax the Commonwealth for such services, we propose by this clause to authorize the Minister to pay for them. In the absence of this provision no community-owned enterprise will supply any of our requirements.

Senator GRANT (New South Wales) [12.35].—It appears to me that the Minister is mixing up matters for which definite provision is made later in the Bill. For instance, paragraph (d) of clause 22 empowers the Commissioner to contract—for any other matter or thing whatsoever necessary for enabling him to carry the purpose of the Act into full effect.

Under that provision he will be entitled to contract for electricity, for gas, or for any other service.

Senator SENIOR.—Why should it not apply to municipal services, such as roads and bridges?

Senator GRANT.—The Commonwealth is not prepared to permit a State or a municipality to tax it. That point has been finally settled. Whatever moneys the Commonwealth may grant to a municipality will be granted in the same way as the Governor of the Commonwealth Bank has agreed to hand over £1,000 yearly to the Sydney Municipal Council. It appears to me that the clause contemplates an innovation which ought not to be tolerated.

Senator FOLL (Queensland) [12.39].—As a new member, and in view of the

statement made by the Minister, I have not audacity to support a proposal which would involve a sacrifice of the privileges of this Parliament. But it seems to me that the Commonwealth occupies a very peculiar position in regard to the payment of rates and taxes, inasmuch as these can be paid only in the form of a voluntary contribution. Since this debate commenced, I have recalled an incident which occurred in connexion with the State railways of Queensland. I think it was in the township of Inglewood, that a saw-mill was established on Government property, at which, approximately, thirty men were employed. Whilst working there, typhoid fever broke out in the saw-mill, and three-fourths of the men were attacked by it. Naturally, they went to the nearest place to obtain medical attention, and that place happened to be the local hospital, which was under the control of the municipality. There they received treatment at the expense of the municipal authorities for a considerable period. Not one penny was paid to the municipality by the State Government for that treatment.

Senator THOMAS.—Does not the Government of Queensland subsidize the hospitals?

Senator FOLL.—Even if that be so, it does not subsidize them specially for the treatment of Government employees. As a result of that outbreak of typhoid fever, the expenditure of the Inglewood hospital increased by leaps and bounds, so that at the end of its financial year there was a considerable deficit. In that case the municipal authorities had to plead with the Government to grant them some return for the benefits which they had conferred upon these saw-mill employees. It has been suggested that in such circumstances the township benefited from the establishment of the saw-mill. But it did not benefit to any appreciable extent. Usually the men employed upon railway works camp upon railway reserves, and their food is brought up to them by train, so that the local storekeepers do not benefit by their presence. Under the proposal embodied in this Bill it seems to me that the amount paid to the municipalities by the Railways Commissioner will entirely depend upon the reasonableness or otherwise of the Minister.

Senator THOMAS (New South Wales) [12.44].—I understood the Minister to say that this clause has appeared in every Railways Act during the past seventeen years.

Senator RUSSELL.—It embodies the usual practice.

Senator THOMAS.—I understood the Minister to say that it had been embodied in every Railways Act during the past seventeen years. If that were the case, I would not press my amendment. But the Minister now assures me that effect has been given to the clause by practice. That is an entirely different proposition. No honorable senator objects to the Commonwealth paying the municipal authorities for such services as water, gas, or electricity. The Minister might just as well have said that unless this clause were included in the Bill, the Railways Commissioner could not go to the Eveleigh workshops in New South Wales and purchase a locomotive.

Senator RUSSELL.—He would not have the authority.

Senator THOMAS.—If that be so it would be a serious matter to strike out the clause.

Senator RUSSELL.—There is nothing funny about it. It is true that things are done every day without authority. A strong Government will do what they desire to do, but that does not excuse us if we do not make provision for doing things in a legal way.

Senator THOMAS.—The point raised by Senator Senior is quite distinct from that dealt with by the Minister. I do not say that there is not a good deal to be said in support of Senator Senior's contention, but the balance of argument is against it. If during the last seventeen years a similar provision were to be found in Commonwealth Acts, I should withdraw my objection to it, but such a provision is not to be found in those Acts. I intend to move when the opportunity occurs—

That the words "except as may be sanctioned by the Minister," be left out.

Senator O'KEEFE (Tasmania) [12.47].—I have listened with interest to the diverse views which have been expressed upon this question, but I have been at a loss to know what all the argument has been about. It seems to me that the clause makes provision for a very simple and a very necessary power which

should be placed in the hands of the Minister. There should be power to negotiate with local authorities for the payment of services rendered to the Railways Department.

Senator SENIOR.—The honorable senator is missing the point.

Senator O'KEEFE.—I am not satisfied that Senator Senior has grasped the meaning of the clause. He is battling for one thing, whilst the clause provides for something else. It is not the intention, under this clause, to give the Minister power to consent to any tax that any municipal or local authority may desire to levy upon the Commonwealth, but only power to negotiate with local authorities for trifling or important services necessary for the proper carrying on of our railways.

Senator NEWLAND.—There is not a word about "services" in the clause which refers to "rates, taxes, and assessments."

Senator O'KEEFE.—Where services are rendered to the Railway Department by a local authority it is not unreasonable that some compensation should be made to that local authority. We do not expect to have these services rendered for nothing. It occurs to me that unless some power were placed in the hands of the Minister to negotiate with local authorities for these services, the proper conduct of the railways would be hampered. I intend to vote for the clause as it stands.

Senator RUSSELL (Victoria—Honorary Minister) [12.50].—I have before me the sections of the Railway Acts of the different States bearing upon this matter, and it will be seen that they are all in the one direction. Under this Bill it is proposed that no rates, taxes, or assessments shall be levied except as may be sanctioned by the Minister. Under the Victorian Act the section reads—

In every municipal district all tenements or property vested in the Commissioner—

I find that that does not bear on the question.

Senator THOMAS.—I think that the Minister should complete the quotation.

Senator RUSSELL.—No; it is foreign matter, and, unlike some other honorable senators, I am able to recognise foreign matter when I see it. The New South Wales Act provides—

No rates, taxes, or assessment shall be made, charged, or levied upon any railways, pier,

wharf, jetty, station, yard, building, works, or other property vested in the Chief Commissioner unless the contrary is expressly provided in any Act.

The Queensland Act has this section—

No rates, taxes, or assessment shall be made, charged, or levied upon any property whatever vested in the Commissioner.

The Western Australian Act provides that—

No rate, tax, or assessment shall be made, charged or levied upon any Government railway unless the contrary is expressly provided in this Act.

The whole debate has been based upon a misapprehension as to the intention of the clause. We have certain railways under the control of the Commonwealth, but in connexion with them no one has power to turn a wheel, to engage an engine-driver, or to do anything else until authority to do so is given by this Parliament. This Bill is intended to give authority for the appointment of a Commissioner, and will authorize the Commissioner to appoint a staff, to prepare time-tables, to fix fares and rates, and to obtain electric light and gas. I ask honorable senators not to drag in the question of the single tax, or any other matter that is foreign to the Bill. I hope the Committee will accept the clause in its present form.

Senator SENIOR (South Australia) [12.55].—I wish to point out to Senator O'Keefe that I never raised the question of whether the Commissioner should be taxed in respect of railway or station buildings. The point I raise is that where the Commissioner acquires cottages within a municipality, these should not be exempt from the municipal taxation which would be paid in respect of them if they were occupied by private citizens.

Senator MILLEN.—What is done with these cottages after the Railways Commissioner acquires them?

Senator SENIOR.—He puts some of his servants into them.

Senator HENDERSON.—Where has this occurred?

Senator SENIOR.—At Mount Gambier, and at many other places in South Australia. Senator O'Keefe tried to make out that I referred to taxation of railway stations and buildings upon recognised railway property. I remind honorable senators that because we have acquired land and property in Port Augusta, upon which rates were previously

paid to the local authorities, those rates will no longer be paid, and this will involve a serious reduction in the income of the Port Augusta municipal council. Again, rates or rents were derived from the wharf at Port Augusta, but since the Commonwealth Government have taken over the wharf the local corporation will lose the revenue which it previously obtained from that source. If the corporation asked that it should be subsidized by the Commonwealth in lieu of the loss of revenue due to the acquisition by the Government of land and property within the municipality, that would be regarded as an impudent demand. It is quite right that no charge should be made in respect of what is distinctly railway property; but I am speaking of property within a municipality upon which rates were previously levied, and which ceases to pay rates upon acquisition by the Commonwealth. I have already pointed out that a letter-carrier, who is a Government officer, is called upon to pay rates in respect of the property upon which he resides, whilst a resident railway engineer, living next door to him, and enjoying the same municipal advantages, does not pay 1d. of rates. When the Government receive privileges from a municipal corporation similar to those for which the citizens have to pay rates, the Government should contribute just as the citizens do to maintain the services provided by the corporation.

Sitting suspended from 1 to 2.30 p.m.

Amendment negatived.

Senator SENIOR (South Australia) [2.32].—In order to raise a practical issue I move—

That after the word "property", line 3, the following words be inserted, "(except where such property is used for residential purposes)"

The gist of the argument all along has been that where a property is used for residential purposes the owner should pay rates to the municipality in exactly the same way as any other citizen, for the simple reason that he is getting privileges which are received equally by other citizens.

Senator RUSSELL.—This amendment will prevent us from doing it.

Senator SENIOR.—No.

Senator THOMAS.—As the amendment is submitted it will prevent the thing from

being done, but if it is inserted after the word "Minister" it will say that it shall be mandatory in these cases.

Senator SENIOR.—I am quite willing to introduce the amendment after the word "Minister" if it will meet the case. I recognise that railway property pure and simple is a Government utility, and should be free from taxation, but in every community residential property is regarded as a subject for taxation. I remember a case in which a resident engineer lived next door to a journeyman cabinetmaker. Previously the cabinetmaker's neighbour paid rates, but after the resident engineer came to reside in the house no rates were paid, and the corporation naturally felt that it had suffered a loss, for it had to incur the same expenses as hitherto. This evil will be accentuated in Port Augusta, because the whole of the headworks for the eastern portion of the transcontinental railway will be situated there. The residences occupied by the railway workers will be non-rateable, and therefore a very heavy burden will be thrown upon Port Augusta. The proportion of those residents who will be exempt from municipal rates will be found to be very large indeed, seeing that the line is being constructed through the town itself. That will withdraw a large area of what is now rateable property. It must be patent to honorable senators that, as the workshops will be built at Port Augusta, a large number of men will be employed there. The Commonwealth Government acquired within the municipality a large tract of land on which they will build workmen's cottages, and so a very considerable portion of the municipality will become non-rateable.

Senator HENDERSON.—And the other portion of the town will have an added value of 150 per cent.

Senator SENIOR.—That is beside the argument altogether. I admit that a public utility should not be taxed, but I contend that citizens who receive and enjoy citizen rights the same as other persons should be liable to pay rates. I do not think it will be argued that the Government, because it is a Government, should be exempted from the obligation which falls upon citizens. The Government very jealously guards its own rights, and a corporation ought, in the same degree, to jealously guard its finances. This grievance has been felt in many places,

and will become accentuated at Port Augusta. I am quite willing to submit to the view of the Minister as to where the amendment could be best introduced. I am striving to put an end to an inequitable practice, and therefore I submit the amendment.

Senator EARLE (Tasmania) [2.40].—I cannot agree with Senator Senior in his desire to bring the Commissioner's property under the ordinary taxation of a municipality. I recognise that when a railway is constructed through a township the township becomes so enormously enriched thereby that it is quite reasonable to ask the municipality to exempt that property from local taxation. Suppose, for instance, that the taxable value of a township before the construction of a railway is £5,000. What is the immediate result of building a railway through the township? The taxable value of the municipality is enhanced by several hundredfold. Does any one argue that it is not fair that the property in connexion with a function which so enhances the taxable value of the municipality should not be immune from local taxation? I think that it goes without saying. Like Senator Grant, I do not believe in taxing improvements or industry, but I cannot agree that this is a proper clause in which to deal with that question. My principal object in rising was to suggest to Senator Senior a slight alteration in his amendment to give the effect which he desires. I suggest that the clause should be amended so as to read—

No rate, tax, or assessment shall be made, charged, or levied upon any railway or property vested in the Commissioner, except that used for residential purposes, unless sanctioned by the Minister.

Senator SENIOR.—That is a very much more cumbersome proposal than mine.

Senator EARLE.—In my opinion it is more complete, and I believe that as nearly as possible it meets what the honorable senator seeks. If I understand his amendment correctly, under the Constitution, he is giving the municipality power to levy taxes on the station and the railway property, but not on the cottages which may be purchased or built by the Government in town for residential purposes by the officers. That seems to me to be the effect of the amendment. It was only in the fullness of my good nature that I tried to help my honorable friend to make his amendment more effective. I

shall oppose the proposal whichever way it is submitted, because I believe that municipalities which are immensely benefited by the expenditure of Commonwealth money should exempt its property from local taxation.

Senator THOMAS (New South Wales) [2.45].—I congratulate the Minister on the extreme fairness with which he is piloting the Bill through the Committee, for he has been good enough not only to state his own case but the case also of those who are opposed to him in regard to the amendments. Nothing can be stronger in favour of my argument than the provisions included in the various State Acts. In order to make my position clear, let me read the clause under discussion. It states—

No rates, tax, or assessment shall be made, charged, or levied upon any railway or other property vested in the Commissioner, except as may be sanctioned by the Minister. I am anxious to have the words "except as may be sanctioned by the Minister" deleted, but the Minister has informed us that if my amendment is carried, the activities of the Railways Commissioner will be paralyzed, because he will not be able to buy water, gas, electric light, or any other of the necessary services.

Senator RUSSELL.—No. I said he would not have the necessary legal authority.

Senator THOMAS.—Let us see what the New South Wales Act says in regard to this matter—

No rates, tax, or assessment shall be made, charged, or levied upon any railway, or upon any pier, wharf, jetty, station, yard, building, works, or other property vested in the Chief Commissioner, unless the contrary is specially provided in the Act.

It will be seen, therefore, that unless the contrary be specially stated the Railways Commissioners of New South Wales cannot pay rates, taxes, or assessments.

Senator NEWLAND.—But it is possible that the New South Wales Railway Department is paying for every house and railway building occupied.

Senator THOMAS.—Yes; that is quite possible. The Queensland Act states—

No rates, tax, or assessment shall be made, charged, or levied upon any railway or any property whatsoever vested in the Commissioner.

That section is very emphatic, and I point out that if the words to which I take exception in the clause under discussion are

deleted, it will then be in absolute conformity with the section of the Queensland Act referred to. If, as the Minister states, the activities of the Commonwealth Railways Commissioner will be paralyzed by deleting the words objected to, I am at a loss to understand how Queensland is able to carry on. The Western Australian Act has this provision:—

No rate, tax, or assessment shall be made, charged, or levied upon any Government railway unless the contrary is expressly provided in any Act.

Now, I am prepared to adopt this form, or have the words of the clause under discussion deleted. Either will suit me. I am not aware what provision is contained in the South Australian Act, but the following is contained in the Victorian Railways Act:—

In every municipal district, all tenants of property vested in the Commissioners, and hereafter leased or rented to such tenants, shall, except in the case of railway refreshment-rooms and premises in the occupation of railway employees, be liable to the payment of rates and taxes, but the Commissioners shall not be liable as owners of such property.

Thus, in Victoria the tenant pays rates and taxes, but the Railways Commissioners are not liable. There is something to be said for the argument that if a man is the tenant of a railway property he should be obliged to pay municipal rates and taxes. I am prepared to accept this provision. I do not want the Government to be liable, because I think there is a big principle behind the amendment, and that other Departments may be affected. From my own limited experience of the Minister I know that it would be possible for a Railways Commissioner, at the time having nothing else but railways in view, to advise his Minister to pay certain rates and taxes, but that if this course were adopted probably many other Departments would be similarly affected. A matter of very important policy is involved in the amendment, and if provision is inserted to the effect that no rates, taxes, or assessments shall be paid except with the sanction of the Minister, I shall have no objection to the clause. I trust the Committee will delete the words "except as may be sanctioned by the Minister," because I feel certain they involve a dangerous principle.

Senator MILLEN (New South Wales—Vice-President of the Executive Council)

[2.55].—I suppose I may say, without offence to any honorable senator, that if there is one thing for which this Senate stands in a pre-eminent position, it is a practical common-sense attitude towards all problems brought before it. We have been discussing this matter for a considerable time. I take no exception to that, of course, and I have nothing very much to say about the arguments for and against the various propositions. I would, however, point out that one section in this chamber apparently thinks that the Commonwealth should be called upon to pay taxes in respect to property it holds, while others, like the last speaker, prefer to see set out in the Act the particular classes of property in respect of which taxes should be paid; and others again, like myself, think it would be better to leave discretionary power in the hands of the Minister. As far as I understand the position, these are the three points of contact, and I suggest that this, surely, is a matter which ought to be made general in its application to all public Departments of the Commonwealth. The Post Office, Customs, and Defence Departments, and before long the new organization dealing with repatriation, must be affected by this question, and I ask honorable senators therefore to consider whether this subject could not more properly and more satisfactorily be dealt with as applying to all Commonwealth activities rather than to be determined so far as our railways alone are concerned.

Senator SENIOR.—Will the Government promise to bring this question forward?

Senator MILLEN.—No; but I can assure the honorable senator that he will have every opportunity of bringing it forward on a general motion.

Senator SENIOR.—It would be better for the Government than for a private member to do that.

Senator MILLEN.—Let us consider the position of the town of Port Augusta. What will be the attitude of its citizens if they find that, as the result of some amendment in this Bill, the Commonwealth railways are paying rates and taxes for certain buildings in their town, while alongside of those railway buildings is perhaps a Commonwealth post-office which is escaping all obligations in respect of municipal taxation? It is possible also that there is a Customs building in that town; if so, the people of Port Augusta

surely will have to throw on one side all the ordinary activities of life in order to indulge in a series of indignation meetings because one Commonwealth public property is paying rates and taxes while others are escaping. I recognise that there is very debatable matter in the clause under review, and that being so ought we not, instead of dealing with it in this piecemeal fashion, to regard it as involving a principle which should be applicable to all Government Departments? I suppose the Committee is fairly unanimous in the belief that no subordinate Legislature should have the authority to tax Commonwealth properties. We must maintain inviolate the sovereignty of the Commonwealth, otherwise it is conceivable that we might be placed in an unsatisfactory position by the taxing proclivities of either a State or a local governing authority.

Senator SENIOR.—The sovereign authority should not neglect to do its obvious duty.

Senator MILLEN.—But the difficulty is for us to see our duty in the same way. What is our duty? It is the old question of "What is truth?" But we can all agree that whatever is decided upon as the Commonwealth's duty ought to be made applicable to all Government property and Government activities. For that reason I invite the Committee to accept the clause as it stands.

Senator THOMAS.—And to give way upon a principle.

Senator MILLEN. — I know that if there is one thing for which Senator Thomas is distinguished it is his rigid adherence to principle. In its present form the clause offers a very reasonable means of avoiding the difficulties which honorable senators have mentioned. In my own State the Railways Commissioners quite recognise a distinction in the case of property which they have resumed, but which they have leased to tenants. In such circumstances they become ordinary landlords, and pay rates and taxes. When the Railways Commissioners in New South Wales resume a property it often happens that there is upon it a cottage which it is undesirable to demolish. Where that occurs they let the building just as an ordinary landlord would do, and they pay rates and taxes in respect of it. I assume, of course, that whilst paying those rates and taxes they collect

a slightly increased rent for it by reason of the circumstance that the tenant is not liable for their payment. But that is a very different proposition from saying, for example, that the caretaker of a level crossing shall come under the same dictum, which certainly would be the case if Senator Senior's amendment were carried. Until we can decide the main issue as to whether these properties shall pay rates and taxes, is it not advisable to clothe the Minister with discretionary power to meet special cases, and to enable him to see that the practice of his Department conforms to that of other Departments?

Senator SENIOR.—Ministers are unlike Tennyson's brook, in that they do not go on for ever.

Senator MILLEN.—I admit that fact mournfully, but it is one which we cannot alter, unless we can devise a means by which Ministers may secure fixity of tenure. I do, however, suggest that we should adopt the clause as it stands, seeing that it does not turn down any reasonable proposal for the payment of rates, and at the same time does not impose on the Railways Commissioner any definite obligation to meet the demands of local governing bodies.

Amendment negatived.

Amendment (by Senator THOMAS) proposed—

That the words "except as may be sanctioned by the Minister" be left out.

Question put. The Committee divided.

Ayes ..	..	..	7
Noes ..	..	..	19
Majority ..	..	..	12

AYES.

Barnes, J.	McDougall, A.
Ferricks, M. A.	Needham, E.
Grant, J.	Teller:
Maughan, W. J. R.	Thomas, J.

NOES.

Bakhap, T. J. K.	Newland, J.
Bolton, Lt.-Colonel	O'Keefe, D. J.
Buzacott, R.	Pearce, G. F.
Crawford, T. W.	Reid, M.
Earle, J.	Rowell, Colonel
Foll, H. S.	Russell, E. J.
Givens, T.	Senior, W.
Guy, J.	Shannon, J. W.
Henderson, G.	Teller:
Millen, E. D.	de Largie, H.

Question so resolved in the negative.

Amendment negatived.

Clause agreed to.

Clauses 18 to 20 agreed to.

Clause 21 (Lease of railway property).

Senator RUSSELL (Victoria—Honorary Minister) [3.9].—I move—

That the following words be added to sub-clause 3:—"and may provide house accommodation for employees upon such terms and conditions as he determines."

The amendment is designed to enable the Commissioner to provide housing accommodation for employees on the railway.

Senator NEEDHAM (Western Australia) [3.10].—Upon the motion for the second reading of this Bill I inquired whether South Australia had imposed any limitation upon the land immediately alongside this line. I understand that Western Australia has given the land on either side of the railway free of all restrictions, but that South Australia has imposed certain limitations. I desire to ask the Minister whether that is so.

Senator RUSSELL.—I understand that, under the agreement, South Australia has granted to the Commonwealth ten chains of land upon either side of the line. It has also been decided that the township at Port Augusta shall be built subject to the approval of both the Commonwealth and the State Governments.

Amendment agreed to.

Clause, as amended, agreed to.

Clauses 22 to 26 agreed to.

Clause 27—

(1) No person shall be entitled to carry, or to require the Commissioner to carry, upon any railway any goods whatsoever which, in the judgment of the Commissioner, or his employees, are of a dangerous nature.

(2) The Commissioner may refuse to take any parcel which he suspects to contain goods of a dangerous nature, or may require any parcel to be opened so that the nature of the contents may be ascertained.

Senator SENIOR (South Australia) [3.13].—This appears to me to be a very general clause. There surely ought to be some means provided by which we may know what are regarded as "dangerous" goods. The term is one of those general descriptions which may possibly cause a great deal of inconvenience to passengers travelling on this line. There are some goods which I regard as very dangerous, but which other persons look upon almost as essentials. I would like to know what the Minister regards as "dangerous" goods. Gunpowder is dangerous, but it is only dangerous in certain circumstances.

Senator RUSSELL.—This clause will confer power under by-laws to define those circumstances.

Senator SENIOR.—If it is to be subject to a by-law to be laid on the table of the Senate before approval, we shall know where we are.

Senator RUSSELL (Victoria—Honorary Minister) [3.15].—Under the Bill power is given to the Commissioner to make by-laws, and these will provide that certain dangerous commodities must be properly protected before being transported over the railways.

Clause agreed to.

Clause 28 agreed to.

Clause 29—

4. Any publication purporting to contain a list of the tolls, fares, and charges recommended by the Commissioner and approved by the Minister, which is printed by the Government Printer, shall be *prima facie* evidence that the tolls, fares, and charges contained therein were so recommended and approved, and, until the contrary is proved, that they are still in force.

Amendment (by Senator RUSSELL) agreed to—

That the words "fares, and charges" line 2, be left out, with a view to insert in lieu thereof the words "fares, charges, and conditions".

Clause consequentially amended, and agreed to.

Clauses 30 to 37 agreed to.

Clause 38—

The Commissioner may provide land on lease and house accommodation for railway employees.

Senator RUSSELL (Victoria—Honorary Minister) [3.20].—I propose to negative this clause, which is unnecessary, in view of the provision already made by the amendment of clause 21.

Senator SENIOR (South Australia) [3.21].—Upon this clause it is desirable to emphasize what is required in connexion with the housing accommodation to be provided for railway employees. I do not wish, even by inference, to suggest that the Commonwealth Government are not likely to treat their employees fairly; but I happen to know that in times past it has been the practice of Railway Departments to provide accommodation that has been scarcely fit for human habitation. Because a man happens to be a railway fettler, that is no reason why he should not be given a comfortable house to live in. Many of the

places provided for such employees in the past have been neither comfortable nor healthy. The only matter considered appears to have been the convenience of the Railway Department. I am aware that an amendment has been carried in another clause providing for house accommodation for railway employees; but I think it would have been well to have specified in some way the kind of accommodation to be provided. Men employed on the Kalgoorlie to Port Augusta railway, because of the adverse climatic conditions under which they will have to live, should be provided at least with comfortable dwellings. I am urged to refer to this matter at the present time because of considerable efforts which I made some years ago to secure some improvement upon the miserable galvanized-iron sheds which were provided for railway employees and their families in a very dry district. I say nothing against the building of a commodious residence for the man who will have control of our railways; but it is equally necessary that fettlers charged with the safety of railways, over which human beings have to pass, should be properly cared for.

Senator RUSSELL (Victoria—Honorary Minister) [3.24].—The Committee has already agreed to an amendment of clause 21, giving the Commissioner power to provide house accommodation for employees on such terms and conditions as he may determine, and the acceptance of that amendment has rendered this clause unnecessary. We are not in a position to bring down plans and specifications of the accommodation to be provided; but I am satisfied that the Minister for Works and Railways, in the present or any future Government, may be trusted to see that adequate accommodation is provided for employees on the Kalgoorlie to Port Augusta railway.

Senator THOMAS (New South Wales) [3.25].—I should like to know whether, under this Bill, the Commissioner is given the power to provide educational facilities, and to build schools for the children of employees of the Railway Department. I think he should be given the opportunity to do so. Many families of employees on our railways are far removed from educational facilities, and it

would be well if the Commissioner were given the power to provide them.

Senator RUSSELL (Victoria—Honorary Minister) [3.26].—There is no specific power given under this Bill to enable the Commissioner for Railways to provide educational facilities for the children of employees. I am satisfied that the Commonwealth Government will always be sufficiently broad-minded to recognise the necessity of doing all that is possible for the children of Australia from an educational point of view. But we could scarcely give the Railways Commissioner any power with respect to the education of children, which is specifically the duty of the Education Departments of the different States.

Clause negatived.

Clauses 39 to 41 agreed to.

Clause 42—

The Commissioner shall, as soon as possible after the close of each financial year, submit to the Minister an annual report of his proceedings and an account of all moneys received and expended during that year.

Senator EARLE (Tasmania) [3.27].—I direct the attention of the Committee to the necessity of amplifying this clause, in order to provide for a report and balance-sheet showing the stock in hand of the Commissioner and the depreciation of railway property. I do not know whether the experience of Railway Departments in the other States has been similar to that of the Department in Tasmania, but I know that in that State we have found it a very great advantage to the Minister and to Parliament to know exactly the stock in hand and the depreciation of railway property from year to year. I suggest that after the word "report" it would be well to insert the words "and balance-sheet, showing stock in hand and depreciation of property."

Senator RUSSELL.—The honorable senator will see that, under the next clause, the Minister has full power to call for such information.

Senator EARLE.—The Minister may demand a balance-sheet from the Commissioner under clause 43; but the difficulty is that he may not demand it. It is quite a proper thing that the Commissioner should be asked to supply such a

balance-sheet as I suggest, in addition to his annual report.

Senator HENDERSON.—Would not the report be incomplete without a balance-sheet?

Senator EARLE.—No. Very often the Managers or Commissioners for State Railways furnish a report, but give no information concerning the amount of stock they have on hand.

Senator FOLL.—In which State?

Senator EARLE.—In Tasmania, for one, until recently. When an investigation was made for the present Commissioner it was found that thousands of pounds worth of stock had been lying idle for years. We had no idea as to the depreciation of engines and other rolling-stock until these balance-sheets had been prepared.

Senator O'KEEFE.—There is no harm in setting out clearly that the Commissioner shall provide a balance-sheet with his annual report.

Senator EARLE.—I see no harm in making the amendment. If anything better than I suggest can be done, well and good; but in order to test the feeling of the Committee I move—

That after the word "report", line 3, the following words be inserted, "and balance-sheet showing stocks on hand, depreciation of property".

If that amendment is made I shall ask the Committee to omit the words "of his" in the next line.

Senator RUSSELL (Victoria—Honorary Minister) [3.32].—I feel sure that the Committee are unanimously in accord with the desire of Senator Earle, but I would point out to them that absolute power in this regard is given to the Minister in the following clause, which reads—

The Commissioner shall furnish all such reports, documents, and information relating to the railways and the railway service, as the Minister requires.

Senator EARLE.—Yes, but Parliament may require something more than the Minister needs.

Senator RUSSELL.—It is quite apparent to me that if the Minister is not prepared to provide Parliament with what it requires it ought to get another Minister. If the Minister does not see fit

under his unlimited powers to call for a report on any special item, or for a complete balance-sheet, honorable senators will have a full and free opportunity to discuss the details of the annual report, and to demand exactly what they need. This provision is quite comprehensive; it could not be made wider, I think, by the use of any language, and I trust that it will be accepted in its present form.

Senator SENIOR (South Australia) [3.35].—I am very glad that Senator Earle has submitted this amendment. I venture to say that if in connexion with the Post and Telegraph Department a stock-sheet were prepared as to when articles were obtained it would surprise Parliament.

Senator RUSSELL.—The Post Office has a complete balance-sheet up to date.

Senator SENIOR.—I am not thinking of a balance-sheet with regard to moneys, but of a stock account. A balance-sheet would indicate the value of the stock, but a stock-sheet would show exactly what was in stock; and that information is very desirable indeed. It should show, too, what stock we were deficient of, and very likely it would open the eyes of Parliament. It would disclose, I think, that orders had been duplicated where there was no necessity, and that stock had been enlarged in certain directions, but diminished in other directions. No such balance-sheet is available in connexion with any of the principal Departments. A balance-sheet is a necessity to a business man.

Senator RUSSELL.—Why do you not point out where any Departments are weak in their balance-sheets instead of making these general statements?

Senator SENIOR.—I have carefully turned over the balance-sheets of the Postal Department. I approve of the action of Senator Earle, because the production of a balance-sheet is very necessary and will become more necessary as we enter other fields of activity. It is absolutely requisite that we should have a balance-sheet from the Commissioner.

Senator GRANT (New South Wales) [3.37].—The amendment would require the Commissioner, without a request from the Minister, to furnish a statement annually showing the condition of the rolling-stock. Surely the Honorary Minis-

ter can depart so far from the letter of the Bill as to admit of a reasonable amendment of this kind. The Minister will have multifarious duties to attend to; many matters will come before Parliament, and, however desirable it might be for this information to be disclosed annually, it is quite possible that the Commissioner would not disclose it unless it had been definitely laid down as part of his instructions, not by the Minister, but by the Act itself.

Senator RUSSELL.—Read sub-clause 1 of this clause requiring the Commissioner to submit “an account of all moneys received and expended during the year.”

Senator EARLE.—It does not deal with depreciation of stock or with the stock on hand.

Senator GRANT.—Neither clause 41 nor clause 42 would render it necessary for the Commissioner to disclose to the Minister the condition of the rolling-stock. The underlying object of the amendment is to provide that, without a request from the Minister, a balance-sheet shall necessarily form part of the annual report furnished to Parliament by the Commissioner. Apparently the Honorary Minister is in favour of this information being disclosed, and probably he will ask the Commissioner to disclose a good deal more. It is so desirable to know the condition of the rolling-stock that I hope he will agree to the amendment.

Question—That the words proposed to be inserted be inserted—put. The Committee divided.

Ayes	13
Noes	12
<hr/>	
Majority	1

AYES.

Barnes, J.	Newland, J.
Crawford, T. W.	O'Keefe, D. J.
Ferricks, M. A.	Reid, M.
Grant, J.	Rowell, Colonel
Guy, J.	Senior, W.
Maughan, W. J. R.	Teller:
Needham, E.	Earle, J.

NOES.

Bakhap, T. J. K.	Pearce, G. F.
Bolton, Lt.-Colonel	Russell, E. J.
Buzacott, R.	Shannon, J. W.
Foll, H. S.	Thomas, J.
Henderson, G.	
McDougall, A.	Teller:
Millen, E. D.	de Largie, H.

Question so resolved in the affirmative.

Amendment agreed to.

Amendment (by Senator EARLE) agreed to—

That the words “of his,” line 3, be left out.

Clause, as amended, agreed to.

Clauses 43 to 45 agreed to.

Clause 46 (Adjustment of weights and measures on railways).

Senator SENIOR (South Australia) [3.47].—The clause appears to have been somewhat loosely drafted. It provides that the Commissioner shall cause all weights, measures, and scales, as well as other weighing machines in use on the railways, to be adjusted from time to time by “some employee” in the railway service. It appears to me that this duty should be intrusted to a qualified person, for if it be perfunctorily performed, the general public may suffer. If it is worth while to specify that the Commissioner shall appoint some person in the service to adjust the weights, measures, and weighing machines, surely it is worth while to see that this work is done by a qualified employee. It is the practice, when a plumber is called in to do certain work, to see that he is properly qualified, and the same principle should be observed in the appointment of an employee to adjust weights and measures.

Progress reported.

PAPERS.

The following papers were presented:—

Electoral—

Statistical Returns in relation to the Senate Election and the General Election for the House of Representatives, 1917, and Summary of Elections and Referendums, 1903-1917.

Statistical Returns, showing voting within each subdivision in relation to the Senate Election, and the General Election for the House of Representatives, 1917, viz.:—

New South Wales.

Victoria.

Queensland.

South Australia.

Western Australia.

Tasmania.

Public Service Act 1902-1916—Regulations Amended—Statutory Rules 1917, No. 160.

Senate adjourned at 3.55 p.m.

House of Representatives.

Friday, 10 August, 1917.

Mr. SPEAKER [Hon. W. Elliot Johnson] took the chair at 11 a.m., and read prayers.

MEMBERS' NAMES IN HANSARD.

Mr. SPEAKER.—Last night, on the motion for the adjournment of the House, the honorable member for Melbourne [Dr. Maloney] asked me whether, after the mention of a constituency in *Hansard*, the name of the member representing it could not be inserted in brackets. He stated that owing to changes in the representation of constituencies, he had occasionally, when reading the *Hansard* report, been put to the inconvenience of having to refer to the records to ascertain who was the member representing some particular constituency at the time when the speech he was reading was made. In accordance with my promise to the honorable member, I have conferred with the Principal Parliamentary Reporter concerning this matter, and he has furnished to me the following memorandum:—

The suggestion that the names of honorable members should generally follow in the *Hansard* reports the designation of their constituencies was considered by the Speaker of the first Commonwealth Parliament [Sir Frederick Holder], but was not adopted, the Speaker fearing that it would lead ultimately to frequent breaches of the parliamentary rule that members must address one another by the titles of their constituencies.

I have further considered the matter, and it seems to me that the fear apparently expressed by Sir Frederick Holder, when Speaker, that members might get into the habit of referring to each other by name in debate instead of by the title of their constituencies need not be entertained, as the Speaker or Chairman would intervene to insure observance of the rules of debate. I have issued the instruction that in future what the honorable member has asked for shall be done.

PAPERS.

The following papers were presented:—
Elections and Referendums—Statistical Returns in relation to the Senate Election

and the General Election for the House of Representatives, 1917; and Summaries of Elections and Referendums, 1903-17.
Elections, 1917.—Statistical Returns showing the Voting within each Subdivision in relation to the Senate Election and the General Election for the House of Representatives, viz.:—

New South Wales.
Queensland.
South Australia.
Tasmania.
Victoria.
Western Australia.

MUNITION WORKERS.

Mr. FENTON.—Is the Assistant Minister for Defence yet able to redeem the promise, made the other day to certain returned soldiers who have been dismissed from their employment in the Colonial Ammunition Company's works, some of them married men, that he would obtain employment for them? Does he know where they can get employment?

Mr. GROOM.—I did not promise to obtain employment for those who came to see me. Some of them stated that they were returned soldiers, and had been dismissed, while other hands appointed at a later date had been retained, and I promised to have an inquiry made into the matter. This is being done.

Mr. FENTON.—Cannot something be done to provide employment for these men?

Mr. GROOM.—I should be glad if something could be done.

PATROL WORK, SYDNEY HARBOR.

Mr. PIGOTT asked the Minister for the Navy, upon notice—

Will he state the amount paid for services rendered by motor launches for patrol work in Sydney Harbor for 1914-15 and 1916-17?

Mr. JOSEPH COOK.—I have not yet received the information asked for, but I shall obtain it for my honorable friend.

EXPORT OF BEEF.

Mr. FLEMING asked the Minister for Trade and Customs, upon notice—

Whether, in view of the shortage of shipping space, and the continued loss of one of our best soil fertilizers, he will cause to be reconsidered the question of boning beef before export?

Mr. JENSEN.—Practically all beef now being exported from the Commonwealth is the property of the Imperial

Government, and when exported is shipped on Imperial account, except as to certain specific quantities of frozen beef released by the Imperial authorities for export to destinations other than to the United Kingdom.

OLD-AGE PENSIONS.

Mr. PIGOTT asked the Treasurer, upon notice—

Whether he will allow pensions, in cases where the pensioners are inmates of hospitals, to be paid to such institutions for their upkeep instead of the money being retained by the Government as at present?

Sir JOHN FORREST.—No payment is made by the Commonwealth to State hospitals for the maintenance of inmates who are pensioners. The matter, however, is under consideration.

WAR-TIME PROFITS TAX ASSESSMENT BILL.

Mr. HIGGS.—With reference to the reported Win-the-War caucus yesterday, and its consideration of the War-time Profits Tax Assessment Bill, I ask the Minister for the Navy if the Government considers the measure as vital to its fate, and is it going to permit amendments to be made in it?

Mr. JOSEPH COOK.—The Government intends to proceed with the War-time Profits Tax Assessment Bill, and will consider any intelligent amendment from any quarter whatever.

SECOND READING.

Debate resumed from 1st August (*vide page 707*), on motion of Sir JOHN FORREST—

That this Bill be now read a second time.

Mr. TUDOR (Yarra) [11.9].—I am glad to see the Treasurer in his place, because it was stated in the newspapers recently that he was indisposed, and might not be able to be with us to-day. As an amendment to the question before the House, I move—

That the following words be added:—“But in the opinion of this House the Bill is utterly inadequate, and signally fails to place upon wealth its due share of the expenses of the war.”

Although we have now entered upon the fourth year of the war, the Treasurer tells us that all the revenue he expects to get from this Bill in connexion with the operations of a period of two years, is less than £1,000,000.

Mr. WEBSTER.—He says now £1,000,000.

Mr. TUDOR. In his Budget speech, the Treasurer stated that he expects to receive £1,000,000, but his earlier statement was that the proposed taxation would return only £900,000. Accepting the larger figure, it means a revenue from war profits of only £500,000 a year, which is utterly inadequate. During the election campaign the Prime Minister described the manifesto of the Labour Party as absolutely spineless. I should like to hear what he would say of this Bill were he now in Opposition. It is so anaemic that, as they would say in some parts of my electorate, it would not have strength to fight its way out of a wet tissue-paper bag. The Bill has been brought in late; it allows too high a rate of profit; and it provides too many exemptions. The Treasurer in his opening speech told us the rate charged by the British Government for the first year of the war, the financial year ended on the 30th June, 1915. This Bill, however, will affect profits made prior to that date. The Treasurer told us that the British Act allows companies to keep 6 per cent. of their profits untaxed, and private persons 7 per cent. For the first year of the war, 50 per cent. of all profits beyond those rates was taken by the Government, in the next year, I think, 60 or 65 per cent., and 80 per cent. in the financial year which ended on the 30th June last. In Canada the untaxed profits allowed is only 7 per cent., and the Government takes 25 per cent. of any profits beyond that, but taxes a 15 and 20 per cent. excess at 50 per cent., and one exceeding 20 per cent., 75 per cent.

Mr. JOSEPH COOK.—The Canadian rates are less than ours.

Mr. TUDOR.—Yes, but I contend that our legislation should follow the British Act. We should not allow such a high rate of profit before taxing the excess. Some honorable members have said that it is proposed to tax not war profits but war-time profits. If the intention be to tax war-time profits, it would be easier to increase the income tax by levying a tax of 10s. or 15s., or even £1, on every £1 exceeding a certain amount of income. The Labour party, in its manifesto, issued prior to the recent elections, proposed a war-time profits tax on the basis of 50

per cent. of excess profits for the year which ended on the 30th June, 1915, and of 60 per cent. for the year which ended on the 30th June, 1916.

Mr. MAXWELL.—Was that a war-time profits tax or a war profits tax?

Mr. TUDOR.—A war-time profits tax. We advocated a tax of 100 per cent. on excess profits after 1916, for the duration of the war. No person should be allowed to make excess profits in war-time. Our Bill would have allowed a reasonable return on invested capital. A Board of Referees would have been appointed to deal with Australian companies operating outside Australia, and new business and any local circumstances which might cause harshness or injustice.

Sir JOHN FORREST.—Would that Bill have brought in more revenue than this Bill will produce?

Mr. TUDOR.—I do not know.

Mr. ARCHIBALD.—The policy of the honorable member's party was, I think, to leave everything to the Board of Referees.

Mr. TUDOR.—The Treasurer will correct me if I am in error in stating that the proposal for the appointment of a Board of Referees is practically the same in the various measures that have been submitted, and that the alterations which have been made are the result of experience of this class of taxation in other countries. It was intended that the Board of Referees should deal with new businesses, cases of hardship, and with enterprises such as tin mining companies, whose head offices are in Australia, but whose operations are carried on outside the Commonwealth. In order to avoid payment of this tax such companies are proposing to register outside Australia. I understand that one of them has already transferred its head-quarters from Sydney to the Malay States.

I hope that when we go into Committee the Treasurer will accept an amendment providing that the tax shall begin with the financial year ending 30th June, 1915.

Mr. WISE.—That was never proposed by any Government.

Mr. TUDOR.—I am entitled, at all events, to express my own opinion as to when the tax should begin to operate. In the financial year ending 30th June,

1915, there were eleven months of war, and some of the largest profits resulting from the war were made during that period.

Mr. JOSEPH COOK.—I presume that the honorable member for Capricornia, Mr. Higgs, also shares the honorable member's view as to the date on which this tax began to operate.

Mr. TUDOR.—He has already spoken on the motion for the second reading of this Bill; but my amendment will afford him another opportunity to place his views before the House.

Mr. JOSEPH COOK.—We shall be glad to hear him repudiate this monstrosity which the honorable member proposes.

Mr. TUDOR.—The honorable member may so describe my proposal, but I repeat that we ought to ante-date this tax to the starting of the war. Every one knows that when the war broke out there were large stocks of certain goods held in Melbourne, and in every other State capital, and that as soon as difficulty was experienced, as the result of the war, in obtaining further supplies, the prices of those goods were increased to an enormous amount. My remark applies not only to groceries, but to such materials as iron. We have all read with interest the reports of a recent debate in the Victorian State Parliament, during which figures were given showing how the prices of certain iron goods have increased. There was no increase in the cost of landing these goods before the war, nor can it be said that there was any increase in the cost to the consignee of goods that were landed here for the first two or three months after the war. They were *en route* to Australia before the war broke out, but as the difficulty of obtaining supplies increased, the price of these goods to the consumer was lifted, even though large stocks were held by some persons in Australia. Then again, large consignments were held up for nearly twelve months in South Africa. These had left the country of production before the war, and, therefore, were bought at pre-war rates, but huge profits were made upon them. I am anxious that the Government should, at least, get a fair share of the profits so made.

Sir JOHN FORREST.—The honorable member and his party were in office for a long time after the war broke out.

Mr. TUDOR.—I do not complain of such an interjection. I would point out to the House, however, that in the first part of the first session of the last Parliament—in 1914-15—we dealt only with war legislation. In 1915 the then Treasurer, Mr. Fisher, proposed to introduce a War-time Profits Bill, but before he could do so he was appointed High Commissioner, and left for England. The honorable member for Capricornia [Mr. Higgs], who succeeded him as Treasurer, introduced such a Bill, but for reasons with which every honorable member of the last Parliament is familiar, it was not proceeded with. The facts are that early in January, 1916, the present Prime Minister went to England, and that there was a definite understanding between all parties in the House that during his absence no controversial legislation should be dealt with. We dealt only with Supply. There were two adjournments of the Parliament during the present Prime Minister's absence in England, and on each occasion that the House met I took his place as senior Minister, so that I have an intimate knowledge of all the facts. It was because of this understanding that our War-time Profits Bill was not pushed through Parliament.

Mr. RICHARD FOSTER.—Did not the honorable member for Capricornia [Mr. Higgs] say, when he introduced the Bill, that the additional revenue which it would provide was not required at that period?

Mr. TUDOR.—I do not know whether it was wanted or not. I do know, however—indeed it is common knowledge—that many companies and business firms have paid these excess profits into reserve funds in order to meet taxation of this kind. Practically every company and business firm, knowing that the tax would be ante-dated, has made provision in that way to meet it.

Mr. KELLY.—But surely only antedated to the extent named in the previous Bill.

Mr. TUDOR.—It is for the House to say to what extent the tax shall be antedated, but I certainly think that the Treas-

surer's proposal, under which some companies will be taxed in respect of one period of eleven months whereas others will not, is a very clumsy one. It is far better that the tax should come into operation, in respect of all excess profits, as from the one given date, regardless of whether companies and business firms balance on the 30th June or on some other date.

Sir JOHN FORREST.—I believe that that will be done.

Mr. TUDOR.—I am glad to have that statement.

Sir JOHN FORREST.—We are following the English Act.

Mr. TUDOR.—I am rather anxious that we should follow the English Act in another direction, and that is as to the rate of taxation.

Sir JOHN FORREST.—The British tax at the outset was not as high as it is to-day. It has been increased.

Mr. TUDOR.—Every Department profits by experience. This was an absolutely new form of taxation when introduced in Great Britain, and no doubt the Imperial authorities have profited by the experience gained. We, too, may profit by their experience. The Treasurer doubtless knows a great deal more about the operation of this tax in other lands than his predecessor did, because he has been able to take advantage of a fuller experience of its incidence.

The Treasurer, in introducing the Bill, said that he anticipated that it would yield only about £900,000 in respect of the two years' period. If we cannot hope for more than that, then the right honorable gentleman might well have introduced a measure calculated to bring in a bigger return. Since the introduction of this Bill the complete financial proposals of the Government have been submitted to the House. We now know that the only new taxation they contemplate is that for which this Bill provides, and an additional income tax of 10 per cent. with a minimum of £10 on single men and widowers, without children, between the ages of twenty-one and forty-five years.

Sir JOHN FORREST.—I suppose the honorable member thinks that we should have proposed more taxation?

Mr. TUDOR.—I do. I consider that the taxation proposals of the Government

are inadequate to meet the needs of the situation. What is more, I believe that many of the supporters of the Government hold the same view, and I trust that they will support my amendment.

Having regard to the number of exemptions for which the Treasurer has provided in this Bill it is no wonder that he does not anticipate collecting under it more than £900,000 in respect of the two years' period. The principle of the Bill should be that any person who has made excess profits owing to the war or during the war period should be called upon to pay a wartime profits tax. Under the Bill as it stands a profit of 10 per cent. is allowed, and superimposed upon that is an exemption of £200. Thereafter only 50 per cent. of the excess profits is to be taken by the Commonwealth. It is well known that the output of many firms and companies has enormously increased. A very interesting return based on the Victorian State income figures was recently put before the Legislative Assembly by Sir Alexander Peacock. I have a copy of that return in which he selected typical cases showing the profits made in 1914, 1915, and 1916. He was careful, of course, not to give the name of any individual taxpayer, and the return does not show what particular industry or industries were carried on by the persons or companies concerned. It shows, however, large increases in profits since the outbreak of war, and there is every reason to believe that what has happened in Victoria has happened in all the other States. I have been unable, unfortunately, to obtain similar information in regard to any other State, but the Treasurer, I feel sure, could obtain from the Commonwealth Income Tax Department similar particulars showing the profits made by individual companies or firms in 50 or 100 typical cases throughout the Commonwealth. Such a return would give us some idea of the profits that have been made during the war. I propose to quote forty-one of the 265 cases, the net profits in the whole of which, including any amount set apart for reserve in the respective years, were £3,958,885 in 1914, £4,371,733 in 1915, and £5,479,895 in 1916, showing an increase of over £1,000,000 on the previous year, and in the two years the increase is over £1,500,000.

Mr. FALKINER.—Then the Treasurer's estimate must be wrong.

Mr. Tudor.

Mr. TUDOR.—I do not know whether the Treasurer's estimate is wrong or not. The following table gives the figures in the forty or forty-one cases I have picked out:—

STATEMENT MADE BY SIR ALEXANDER PEACOCK
IN THE STATE PARLIAMENT HOUSE WHEN HE
QUOTED 265 CASES UNDER THE VICTORIAN
INCOME TAX.

Symbol for Name.	Net Profits, including any Amounts set apart for Reserves in the Respective Years.		
	1914.	1915.	1916.
3	£ 27,145	£ 35,743	£ 58,957 = 115 %
5	313	1,252	3,697 = 1,100 %
6	8,910	12,643	20,648
9	Nil	726	7,703 = 1,000 %
			in one year
22	13,717	16,288	31,254
25	5,475	10,453	13,099
26	821	1,034	9,088 = 1,100 %
30	58,516	76,700	107,426
35	701	2,772	5,023 = 700 %
39	986	6,671	5,613
40	87,782	112,838	188,644
43	30,744	70,167	81,418
61	9,014	16,686	21,190
91	5,505	9,409	12,291
107	7,238	27,185	51,744 = 700 %
108	28,501	6,692	71,575
110	7,532	10,420	16,607
117	6,960	7,746	15,677
118	57,144	79,128	119,548
120	2,875	11,500	8,111
123	1,148	3,446	13,249 = 1,150 %
130	7,615	15,368	28,049
132	7,163	8,781	19,912
139	1,892	11,457	6,585
141	1,170	8,949	8,456 = 700 %
147	.236	1,427	9,444 = 4,000 %
172	6,920	6,534	14,964
182	2,087	7,480	20,984 = 1,000 %
196	28,257	32,369	81,139
198	2,039	7,480	26,031 = 1,250 %
206	9,137	18,190	20,797
210	959	1,375	2,347
211	8,013	10,114	19,558
213	7,222	31,119	51,493 = 700 %
215	17,876	24,587	46,831
217	11,061	30,589	31,765
222	4,505	8,130	20,022
231	8,505	8,350	22,515
240	2,989	3,427	10,156
257	9,315	12,230	28,118
262	Nil	4,896	20,966 = 400 % in one year
Total 265 cases	£ 3,958,885	£ 4,371,773	£ 5,479,895

The percentage shown in the last column is the increase made in the two years.

Mr. KELLY.—Is case No. 3 a fair average case on the list?

Mr. TUDOR.—It is the lowest percentage of the thirteen which I have picked out, and it shows the smallest proportional increase of profits in the period.

Sir JOHN FORREST.—All these people will pay income tax, and on a graduated scale.

Mr. TUDOR.—Of course they will.

Mr. GROOM.—And they will be brought in under the Bill.

Mr. TUDOR.—And I wish to "rope" them in a bit further.

Mr. POYNTON.—Are these cases taken from the balance-sheets of certain companies?

Mr. TUDOR.—They are cases quoted in the State House of Victoria, as set forth in a return which Sir Alexander Peacock had caused to be prepared by the State Income Tax Department. The net profits shown, as I have said, include any amount set apart for reserve in the respective years, because on those profits income tax would be paid, and I presume that war-time profits will be taxed on exactly the same basis.

Mr. RICHARD FOSTER.—I think that kills your amendment.

Mr. TUDOR.—No, it does not. I contend that the figures I have quoted show that the Bill before us signally fails to impose a fair share of war taxation on wealth.

As honorable members will see from the table, I have taken the trouble to work out the percentage of increased profits in some of these cases. In case No. 3 the increase from 1914 to 1916 represents 115 per cent.

Mr. JOSEPH COOK.—What is the capital and the percentage of profit?

Mr. TUDOR.—The table quoted by Sir Alexander Peacock does not show how much money was invested in the business or the percentage of profit, nor does it indicate the nature of the industry.

Mr. KELLY.—Does the honorable member not see that the profits of 1915-16, when the increases took place, are to be taxed?

Mr. TUDOR.—The 1915 cases will be taxed for only six months of that year under the Treasurer's proposal.

Mr. GREENE.—The taxation will cover, at any rate, eighteen months of the period embraced by the return.

Mr. TUDOR.—That is so, unless some of these cases are exempt.

Mr. GREGORY.—The comparisons are most unfair, because 1914 was a most disastrous year.

Mr. GREENE.—They might all be pastoral companies.

Mr. TUDOR.—I admit these people might all be farmers, and exempt under the Bill; but, on the other hand, they might be manufacturers.

Mr. MANIFOLD.—Are the figures not up to the 30th June, the end of the financial year?

Mr. TUDOR.—No; I have read the return exactly as it was prepared by Sir Alexander Peacock.

Mr. MANIFOLD.—The State income tax goes to the 30th June.

Mr. TUDOR.—That was altered soon after we altered the period of the Commonwealth income tax. I am confident that 1914 was a calendar year for the income tax.

Mr. JOSEPH COOK.—What is the use of the comparison unless we have the capital invested and the percentage of profit?

Mr. TUDOR.—Under the Bill it does not matter what is the capital or the percentage of profit. The basis is good enough for the Treasurer, after allowing 10 per cent.

Mr. FALKINER.—I do not think that it is necessarily 10 per cent.

Mr. TUDOR.—In the Bill it is.

Mr. FALKINER.—It is the pre-war standard, or 10 per cent. if there is no pre-war standard.

Mr. TUDOR.—It will always be 10 per cent. I remember meeting some manufacturers who were negotiating the sale and purchase of a business, and the seller said the basis was not to be that on which they returned their incomes for taxation, but must be "a straight go."

Mr. JOSEPH COOK.—Is the honorable member himself not concerned in an importing business?

Mr. TUDOR.—I am not in any importing business. Any man who says that I am is a deliberate liar!

Mr. GREENE.—We know who is interested in the business.

Mr. TUDOR.—I have absolutely no interest in any importing business, and any man who says anything to the contrary is making a statement that has no foundation in fact.

Sir JOHN FORREST.—If you had, would it matter?

Mr. TUDOR.—A person who was fighting for the honorable member's party in

1913 made that allegation against me in my own electorate, and I am glad to have an opportunity to-day of answering the statement.

Mr. JOSEPH COOK.—What is wrong with it?

Mr. TUDOR.—The statement was made in a sneering way, insinuating that I had done something that was wrong. I have already answered it off the public platform. All my actions are open to the light of day, and if any honorable member thinks he knows anything to my detriment let him state it. Honorable members continue whispering, and pretend they know something about my connexion with an importing business, but there is absolutely no truth in the suggestion. Some candidates on the public platform did their best to damn me politically by making this statement against me.

Mr. POYNTON.—Why deny it? You know the business is in your wife's name.

Mr. TUDOR.—I do not mind stating the whole of the facts in regard to my wife's connexion with the business, which is not a large one, but when an honorable member drags in the name of a man's wife, he is playing the political game pretty low down. If I could not fight fairer than that I would walk out of politics. I do not think the honorable member's interjection reflects any credit on him.

Mr. POYNTON.—You took all sorts of care not to invest the money in your own name.

Mr. TUDOR.—It is not my money. I do not mind fully explaining the matter if honorable members so desire.

HONORABLE MEMBERS.—No, no.

Mr. TUDOR.—Well, I shall leave that matter, and deal with the Bill; but I had a right to reply to the interjections. In quoting the return to which I have referred I said that I did not know the amount of money invested or the nature of the business to which it relates. The Treasurer could, if he desired, obtain from each State Income Tax Department a list of fifty returns, which need be denominated only by a letter or a figure, showing what profits the companies have been making.

Sir JOHN FORREST.—This Bill will catch them.

Mr. TUDOR.—I hope that the measure will produce more revenue than the Treasurer expects.

Sir JOHN FORREST.—Do you wish people to make no money?

Mr. TUDOR.—I do, but they should not make extortionate profits in war time.

Sir JOHN FORREST.—We all agree to that.

Mr. TUDOR.—The taxpayers who have made the profits shown in that return must be either producers, financial institutions, transport companies, or persons dealing with foodstuffs. I regret that we have no opportunity of knowing the types of business to which the return relates, and what commodities are being dealt with by them. Honorable members know that when the drought of 1914-15 afflicted the Commonwealth, farmers growing sheep and lambs had to sell their stock at any price they could get because of the lack of grass. That stock was sold at a very low rate in the city markets, and was put into cold storage. When it was brought out and sold, big profits were made from it. Very little of it was sent oversea.

Mr. FALKINER.—A lot of sheep died, and were not sent anywhere. Is it fair to compare the incomes of 1914-15, when the pastoralists received practically no return, with those of 1916, when conditions were again normal?

Mr. TUDOR.—The Treasurer could obtain from the State Premier the returns for the two years preceding the return I have already given.

Sir JOHN FORREST.—We have the information.

Mr. TUDOR.—The Commonwealth income tax was not in operation then, but if the Treasurer would get this information from the State authorities, it would be valuable to honorable members.

Sir JOHN FORREST.—You want more taxation?

Mr. TUDOR.—I do. I make no bones about that.

Sir JOHN FORREST.—You do not know what the taxes amount to now.

Mr. TUDOR.—I have read the Bill carefully.

Mr. McWILLIAMS.—It is only fair to get the returns for the two previous years.

Mr. TUDOR.—That is what I say.

Mr. PIGOTT.—We ought to know the industries to which the returns relate.

Mr. TUDOR.—I do not know that we could get that information.

Mr. RICHARD FOSTER.—We could. It is given in South Australia every year.

Mr. TUDOR.—There may be only one firm in a particular class of business. For instance, there may be about two manufacturing chemists in Victoria, two or three in New South Wales, and one in South Australia. If a return were given for any one of those firms, its competitors would know exactly upon what basis that business was working. No harm would be done by publishing the nature of the business in cases where it would be impossible to identify the particular individual or company. Even with the return which I have given, people who study the financial columns of the press will be able to pick out the companies to which the figures relate. Great increases have taken place in the prices of foodstuffs. Mr. Knibbs has prepared for me the figures for the years 1913 to 1916, and I have taken from the press the information for 1917. I stated yesterday that no person can have any objection to increases in price when the cost of production has increased. The producer is as much entitled to a fair rate of profit as any other individual in the community, but that does not apply to increases which are the result of artificial increases of the prices of land or stock. Where land which has been brought into use for the production of these commodities has been raised from £40 to £50 per acre, when it is really worth only £40, the consumer ought not to be required to pay for the fictitious land value. The figures given to me by Mr. Knibbs are as follow:—

AVERAGE WHOLESALE PRICES IN
MELBOURNE, 1913 TO 1916:

Year.	Butter. per lb.	Beef. per 100 lb.	Fat Bullocks.	
			Prime.	Medium.
1913 ..	0 11 $\frac{1}{2}$	22 3 $\frac{1}{2}$	11 12 0	9 17 0
1914 ..	1 0 $\frac{1}{2}$	28 0	14 3 0	12 1 0
1915 ..	1 5 $\frac{1}{2}$	50 3 $\frac{1}{2}$	21 14 0	17 18 0
1916 ..	1 4 $\frac{1}{2}$	47 10	21 3 0	17 19 0
1917 ..	1 5	48 0	22 10 0	18 15 0

Year.	Crossbred Wethers.		Crossbred Ewes.		Lambs.	
	Prime.	Good.	Prime.	Good.	Prime.	Good.
1913 ..	£ 0 19	s. 9 0	£ 0 17	s. 7 0	£ 0 17	s. 10 14 11
1914 ..	1 1	6 0	18 3 0	19 3 0	16 1 0	15 5 0 12 4
1915 ..	1 9	5 1	2 1	8 2 1	1 9 1 1	6 0 17 3
1916 ..	1 16	10 1	12 1 1	14 1 1	9 1 1	7 10 1 3 2
1917 ..	2 0	0 1	16 0 1	14 0 1	10 0 1	14 14 6 1 19 0

Mr. FALKINER.—Tell us the shrinkage in the number of cattle!

Mr. RODGERS.—That is not part of his case.

Mr. TUDOR.—My time is limited, and I am stating my case to the best of my ability. In most of the prices for sheep there is an increase of well over 100 per cent. in the four years. Prices have been increasing all the time.

Mr. PIGOTT.—Only agriculturists are exempt; pastoralists are not.

Mr. TUDOR.—Are there no farmers in this country who have sheep? Will they not be exempt?

Mr. RODGERS.—They are exempt only in respect of agriculture.

Mr. TUDOR.—The Prime Minister, dealing with the referendums in 1915, fifteen months after the war had started, made pointed reference to the people who were making high profits. I take it that no honorable member here desires that men making extreme profits out of the war should be exempt. Instead of letting them off with 50 per cent., I should say “take 100 per cent.”

Sir JOHN FORREST.—Take the lot!

Mr. TUDOR.—I make no bones about it; I would take the lot.

Sir JOHN FORREST.—You care only for your own class. I would like to catch some of your own great gains.

Mr. TUDOR.—The honorable member is welcome to any of mine that he can catch; because I have had none.

Sir JOHN FORREST.—Then the honorable member does not care, because he is not interested.

Mr. TUDOR.—I am interested in the welfare of the community. I was about to quote the statement of the Prime Minister, the Treasurer’s own leader.

Sir JOHN FORREST.—He is not in the House.

Mr. TUDOR.—I quoted it the other day when he was here, and also on public platforms during the election campaign.

Mr. RODGERS.—You first take away the wages fund, and then you go down to the Town Hall and wonder why there is unemployment.

Mr. TUDOR.—Honorable members opposite seem very much worried. The Prime Minister said—

We all know how the cost of living has increased, so that it is with the utmost difficulty that the bulk of the community are able, even with the greatest economy, to make both ends meet, and making every allowance for the effects of the drought, there can be no doubt whatever that this is due very largely to manipulation of the market by unscrupulous persons

at the expense of the community. These persons frequently pose as patriots. They subscribe £50 to patriotic funds, and fleece the public of £5,000 by high prices.

I am anxious to get that £5,000.

Mr. RICHARD FOSTER.—The Prime Minister has been after them ever since.

Mr. TUDOR.—That is all that has happened—that he has been after them. During the election campaign I was taken to task for calling those people profit-mongers. It is a good phrase, but it is the Prime Minister's, and not mine. He said also—

The Referendums threaten many great interests; they threaten profit-mongers, exploiters, and the great vested interests of capital generally, and these will do everything within their power to defeat the proposals. But they dare not do so openly, and therefore urge the electors to vote against the Referendums because we are at war.

That is the excuse that honorable members opposite give in the House. I remember the night when they all did the disappearing trick. There are not many of us here, but we are not going to do the disappearing stunt. We intend to stop here and watch events.

Sir JOHN FORREST.—You are not numerous.

Mr. TUDOR.—We hope to become more numerous. The Government are doing better work for us than we could have hoped for by their lack of initiative, and by bringing forward anaemic and spineless Bills like this, and leaving out most of the people whom they could catch, as is shown by the figures I produced this morning.

Mr. FALKINER.—You want the Prime Minister over on your side. You are lacking in adjectives compared with him.

Mr. TUDOR.—I am doing the best I can. It was not my fortune to be born with a silver spoon in my mouth, and I have had to work hard for any position I have obtained.

Mr. FALKINER.—And other people have, too.

Mr. TUDOR.—I know that, but I was not fortunate enough to have a college education. A State school education was the best I was able to obtain, and, even then, I had to leave school early. Most of the college men are on that side. I do not blame them, but I am sorry that I was not more fortunate in the choice of my parents.

Honorable members interjecting,

Mr. SPEAKER.—I would once more ask honorable members to obey the call of the Chair for order. I do not propose repeatedly to call order without taking action. The honorable member is entitled to the full time allotted to him for his speech.

Mr. TUDOR.—The honorable member for Kooyong [Sir Robert Best] suggested the other day that the Bill be withdrawn. He pointed out that the New Zealand Act was to be repealed because it was ineffective, and he had his doubts even about the English Act. Let me quote Mr. Bonar Law, the Chancellor of the Exchequer, whom honorable members will regard as a greater authority on the English Act than even the honorable member for Kooyong. In the *Argus* of 5th July last appeared a cable regarding war profits in the shipping trade. In this Mr. Bonar Law was reported to have said—

He had invested £8,100 in fifteen shipping companies running tramp steamers. Five per cent. on that would be £405, whereas he had received £3,615 in dividends in 1915, and £3,847 in dividends in 1916, after having paid excess profits.

Joseph Palmer and Sons' monthly share list, compiled to 19th July, 1917—the last issue—has the following with regard to the Union Steam-ship Company—

Not to go back too far, it will be sufficient to start from the concluding quarter of the year 1905, when Union shares, then £10 paid, were selling at £15. A purchase of three shares at that time would have cost £45. Two years later, in December, 1907, the company issued bonus shares in the proportion of one to three, and immediately afterwards subdivided each £10 share into ten of £1. The purchasers of the original three for £45 would, therefore, receive forty of £1 without further cost. These new shares gradually improved in the market to about 45s., when, in February, 1913, the company issued, at 10s. premium, new £1 shares in the proportion of one to four. The original purchase would now represent fifty shares on the outlay of a further £15 capital. Thus for £60 the holder would have acquired fifty shares worth 42s. each in the market. A few months afterwards bonus preference shares were issued share for share, so the £60 capital had acquired 100 shares (fifty ordinary and fifty preference) in the company. Thence onwards the ordinary shares, which had naturally fallen to 22s. after the preference issue, steadily rose, till to-day the value is 61s. The preference have remained steady at 21s. The original £60 invested has therefore appreciated to £205 up till now. Most of our clients, acting on our advice, sold their preference shares, and reinvested in普通股 at very nearly the same price. In their case the £60 will have improved to about £300.

Sir JOHN FORREST.—Palmer and Sons are squatters' agents. That shows how fair they are.

Mr. TUDOR.—We have a right to let the public know what is being done by people whose stock is watered in this way. There are companies in this city whose profits have been increasing to such an extent that it is difficult for them to know what to do with them. They have watered their stock time after time. Some of them would be included in the list which Sir Alexander Peacock recently had prepared for income-tax purposes, showing the increase in profits.

We have now, I presume, the full financial proposals of the Government. I could touch on other shipping companies. Honorable members know what the White Star Company has paid.

Sir JOHN FORREST.—They have lost a lot of ships.

Mr. TUDOR.—But they keep on paying more and more in dividends.

Sir JOHN FORREST.—I do not think the Peninsular and Oriental Company could do that.

Mr. TUDOR.—I have no doubt that these companies are well insured. The premiums are high, but the constant loss of ships has made the value of the remaining shipping go up. In pre-war days a new steam-ship could be launched for £8 per ton. You cannot buy ships to-day for under £75 per ton, and ship-owners themselves expect that the price will soon top £100 per ton. When we see these companies making inordinate profits, and piling money away into their reserves, we have a right to ask the Treasurer so to frame his Bill as to make wealth pay its full share. That is why I move the amendment. In view of the number of exemptions proposed and the small amount of excess profits that the Treasurer intends to take, I trust honorable members will see that, if the Bill is not withdrawn, it is at least so amended by the Government in Committee in the interests of the bulk of the community as to place upon wealth its fair share of the expense of this, the most awful war that has ever happened to mankind.

Mr. SPEAKER [Hon. W. ELLIOT JOHNSON].—The amendment in its present form is not in order, because it is not permissible to add any words to a motion for the second reading of a Bill. If the honorable member proposed to insert the

words of his amendment, it would be in order.

Mr. TUDOR.—I do not desire to canvass your ruling, but I understood that a similar amendment was accepted on the motion for the second reading of a previous Bill. I have seen in our *Votes and Proceedings* the record of amendments similar to that which I have moved. I do not object to the reading of the Bill a second time, because I am desirous that we shall have an opportunity of amending it, and I am afraid that if the Bill is knocked out altogether we may not see another Bill of its kind. I desire that the Bill should be read a second time, though, in our opinion, it will fail to achieve the object that should be achieved.

Mr. SPEAKER.—Our standing orders say—

160. On the Order of the Day being read for the second reading of a Bill, the question shall be proposed, "That this Bill be now read a second time."

161. Amendments may be moved to such question by leaving out "now" and adding "this day six months," which, if carried, shall finally dispose of the Bill, or the previous question may be moved.

162. No other amendment may be moved to such question except in the form of a resolution strictly relevant to the Bill.

No addition may be made to the motion for the second reading of the Bill, but words may be inserted in that motion. The honorable member for Yarra [Mr. Tudor] could move to insert after the word "That" the words which he wishes to add to the question.

Mr. TUDOR.—Then I submit the amendment in the form that you suggest, Mr. Speaker.

Amendment amended accordingly.

Sir WILLIAM IRVINE.—I do not know that the Leader of the Opposition [Mr. Tudor] fully appreciates the effect of the amendment. If all the words after the word "That" were left out with a view to the insertion of the words that he has proposed to add, the Bill will be defeated, but he says that he does not desire to defeat the Bill, and wishes merely to attach to the motion for the second reading an expression of opinion.

Mr. TUDOR.—In the event of the amendment being carried, will the Bill be defeated?

Mr. SPEAKER.—This is what *May*—11th edition, page 474—has to say on the subject—

It must be borne in mind, however, that the resolution, if agreed to, does not arrest the progress of the Bill, the second reading of which may be moved on another occasion. The effect of such an amendment is simply to supersede the question for now reading the Bill a second time, and the Bill is left in the same position as if the question for now reading the Bill a second time had been simply negatived or superseded by the previous question. The House refuses, on that particular day, to read the Bill a second time, and gives its reasons for such refusal; but the Bill is not otherwise disposed of.

There is no proposal not to read this Bill a second time; the proposal is to interpolate in the motion certain words which, in my opinion, if carried, would not have the effect of preventing the second reading of the Bill at a future date; but would prevent it being proceeded with at present.

Mr. McWILLIAMS.—The motion before the House is that this Bill be now read a second time. If all the words after the word "That" were struck out with a view to the substitution of words expressing the opinion which the Leader of the Opposition [Mr. Tudor] wishes to express, it would kill the Bill. It would not be possible for the Bill to be proceeded with if the amendment were carried.

Mr. JOSEPH COOK.—It certainly would not.

Mr. HIGGS.—Are you cracking the whip?

Mr. McWILLIAMS.—Apart from the course that the Government might follow in the event of the business of the House being taken out of its hands, the effect of carrying the amendment would be that the Ministry would be compelled to bring in a second Bill, and this Mr. Speaker would rule out of order, because the Standing Orders prevent the introduction of the same Bill twice in one session. The carrying of the amendment would prevent the consideration of the Bill in Committee, which the honorable member for Yarra declares he desires.

Mr. HIGGS.—I submit that the amendment is quite in order. It is stated in *May*—11th edition, page 472—that—

It is also competent to a member, who desires to place on record any special reasons for not agreeing to the second reading of a Bill, to

move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the Bill; or expressing opinions as to any circumstance connected with its introduction or prosecution; or otherwise opposed to its progress.

If the amendment were carried, there would be nothing to prevent the Government altering the Bill in accordance with the wishes of those who are opposed to the incidence of taxation provided for.

Mr. McWILLIAMS.—Could the Bill be altered at the second-reading stage?

Mr. HIGGS.—No. The Government would have to take the amendment as a direction from the House to bring in another Bill.

Sir WILLIAM IRVINE.—That would amount to a direction to withdraw the present Bill.

Mr. HIGGS.—Yes.

Mr. SPEAKER.—The amendment is, not to omit, but to insert, certain words after the word "That." The effect of the amendment is a matter for the Minister, not for the Speaker, to consider. All that I have to concern myself about is whether the amendment is in order. I direct attention to the following entry in the *Votes and Proceedings* of the 21st July, 1915, regarding the War Loan Bill 1915, No. 1:—

The Order of the Day having been read for the second reading, Mr. FISHER moved—"That the Bill be now read a second time." Debate ensued.

Mr. ANSTEY moved the following amendment:—"After the word 'That' insert the following words:—'bonds to the extent of £20,000,000 be deposited in the Commonwealth Bank, and that the Governor of the said bank be instructed to credit the Commonwealth Government to a like amount, less such charges as are necessary to pay the expenses of the bank in operating the account of the Government.'"

The amendment was negatived, and the discussion on the second reading then proceeded. On several other occasions like amendments have been moved to insert words in the motion, "That this Bill be now read a second time."

Sir JOHN FORREST (Swan—Treasurer) [12.25].—If the honorable member for Yarra [Mr. Tudor] wished to attack the policy of the Government, he should have done so in a more formal way. To attack the Government in the manner in which he has done it to attack it in regard to part of its policy only. The estimated revenue is

£1,000,000; I hope that the return will really be greater. I am not in a position to offer an authoritative personal opinion on the point, and must accept the information which has been given to me, but if the honorable member had challenged the Government in a formal way, the Prime Minister would, of course, be here to defend the policy of the Government. The amendment is an attack by a side wind, and really places the honorable member in an awkward position. He was a member of the Government which introduced the original measure, which, like those which have succeeded it, was based on the British Act, subsequent Bills having been altered in detail only by successive Treasurers. As the British Act has been in operation for three years, it is entitled to some consideration. The original Bill, based on that Act, was introduced by the honorable member for Capricornia [Mr. Higgs] when Treasurer of a Government of which the honorable member for Yarra [Mr. Tudor] was Minister for Trade and Customs. I gathered from the speech of the latter that he is disappointed because the Government has not proposed more taxation. That, to my ears, is a new complaint. I have never before heard a Government condemned for taxing too little; the complaint to which I have been accustomed is that the taxation is too much. The honorable member complains that our taxation will not hit certain persons and certain classes sufficiently hard. In that I believe him to be mistaken. The Bill, with its defects—and, no doubt, it has some—will strike those persons who have made more money during the war than they were making before the war. That is the principle of the Bill. If you have not done any better during the war than you were doing before the war you will not be taxed, but if you have done better you will be taxed. Notwithstanding what the honorable member for Yarra has said, the Bill will tax those who have made more money during the war than they were making before it broke out. That is the principle of the Bill.

Mr. RODGERS.—The honorable member for Yarra gave a long list of persons who would be taxed.

Sir JOHN FORREST.—I do not think that there are many in this House or the country who are really disappointed be-

cause the taxation proposals of the Government are not more drastic. It shows what a good Government we are when we deal with the finances of the country in such a way that every one is surprised that what was anticipated in the way of taxation has not been proposed.

Mr. HIGGS.—You are postponing responsibilities.

Sir JOHN FORREST.—Our method of finance is to deal with our liabilities as they occur year by year. I do not think any one would say that you should impose taxation this year to meet the prospective liabilities of next year. We impose taxation this year to provide the revenue needed for the year, and next year's needs will be met in a similar way when they occur. We have tried to finance the war fairly, by encouraging enterprise and helping those engaged in industry to increase the production of wealth. There has been no drastic retrenchment, no dismissal of thousands of men from Government employment. There has been no shutting down of any of the avenues of employment and no attack upon any section or class of the community. So far as any evidence of partisan feeling or disunion is to be found in the proposals of the Government, we appear to be one of the most harmonious communities in the world.

As to one or two matters to which the Leader of the Opposition has referred, I may say at once that I am quite in accord with him that the beginning and ending of the taxable profit-earning period shall be the same for every one. Further, as the Bill really declares, any exemption for which the Bill provides will not extend to any other person who may subsequently trade in the goods to be produced.

In considering the question of the adequacy of these taxation proposals, I ask honorable members not to overlook the fact that all profits made by any individual or company in this country will be subject to the ordinary income tax upon the existing graduated scale, no matter from what source the income may come. This war-time profits tax is another tax superimposed upon the existing income tax. Those who have made any war-time profits under this Bill will pay not only this taxation but income tax on the existing graduated scale. That is a fact of which we ought not to lose

sight. As to the extraordinary contention that the taxation proposals are not sufficiently onerous, I think that taxation in Australia is steadily moving upwards. A return prepared by Mr. Knibbs shows that in respect of the year 1915-16 the income tax yielded £4,436,997, and that of that amount persons enjoying an income of £1,000 per annum or more paid 84.2 per cent.; those who received £200 a year, and less than £1,000 a year, paid 12 per cent., and those taxpayers receiving less than £200 a year, of whom there were some 167,853, paid only 3.8 per cent. of the tax. Some people would have us believe that those who have been more fortunate than others in the race for wealth pay practically nothing by way of taxation, but here we have it that they paid 84.2 per cent. of the £4,436,997 raised by way of income tax in one year. Those unreasonable and unfair critics should at least endeavour to be fair. The Leader of the Opposition has said that our taxation is not drastic enough. He seems to be anxious to ruin every one, even when the Government considers the proposed taxation sufficient. I would remind him that with a population of slightly less than 5,000,000, we estimate to raise this year a revenue of £35,181,655, as against a revenue of £22,419,798 raised in 1914-15. We have thus an increase of £12,761,867 in three years. That, however, seems to be not even noticed, so far as the Opposition is concerned.

Mr. McWILLIAMS.—All that is spent as soon as it is raised.

Sir JOHN FORREST.—The honorable member, having regard for his astuteness, ought not to make such a remark. The people who contribute the revenue are often not chiefly benefited by its expenditure.

I requested the Government Statistician to prepare a return showing our taxation per head of the population as compared with that borne by the people of the Old Country. In the return furnished by him it is shown that the Commonwealth and State taxation per head in 1915-16 was £6 8s. 5d. in the Commonwealth as compared with £6 6s. 1d. per head in Great Britain. It cannot be said, therefore, that the taxation borne by the people of Australia is not fairly heavy. Then, again, I invite honorable members to consider our war expenditure out of revenue. In 1914-15 our war expenditure out of re-

venue amounted to £540,217, and it has been gradually rising until in respect of the current financial year it is estimated that it will be £13,109,351. In 1916-17 our war expenditure out of revenue amounted to £8,406,970, while this year we estimate that it will be £13,109,351, showing an increase of £4,702,381 for the year.

Mr. MATHEWS.—And the Government are throwing men out of work in order that they may make such an expenditure out of revenue.

Sir JOHN FORREST.—The honorable member should not make such a statement.

Mr. MATHEWS.—It is a fact.

Sir JOHN FORREST.—I am glad to say it is not a fact.

Mr. MATHEWS.—The Government ought to expend the money on reproductive works.

Sir JOHN FORREST.—The honorable member's party was in power for years. We now have the responsibility of control in accordance with the voice of the people, and he ought to be fair.

In conclusion, I have only to say that the Government have already given careful consideration to other matters to which the Leader of the Opposition [Mr. Tudor] has referred, and that in Committee we shall place before honorable members certain amendments which, I hope, will go a long way towards meeting many of the objections that have been made to the Bill. We frequently hear it said that people are better off now than they were before the war. I deny that that is so.

Mr. HIGGS.—The right honorable gentleman's own Prime Minister has said it is so.

Sir JOHN FORREST.—If he has I can only say that my information has not led me to the same conclusion. If I were to follow the precedent of Mr. Bonar Law, the Chancellor of the Exchequer, who, for the information of the House of Commons, drew upon his own private experience, I would tell the House that my own income is not more than half what it was before the war.

Mr. WEST (East Sydney) [12.40].—In his reply to the able speech made by the Leader of the Opposition, the Treasurer has touched on practically everything but the provisions of the Bill itself. I hold the view that the Bill has been hurriedly prepared, and has not received at the

hands of the Government that attention which should be given, particularly at this time in our history, to every financial measure. The defects of the Bill are probably due to the fact that it had to be hurriedly prepared in consequence of the refusal of the Opposition to debate the motion for the adoption of the Address-in-Reply. We were so anxious to give the Government every opportunity to proceed with their win-the-war policy that we refrained from debating that motion, with the result that the Government suddenly found themselves called upon to provide new business for the consideration of the Parliament.

The amendment which has been moved by the Leader of the Opposition is, I am confident, in accordance with the wishes of the people. The electors of Australia would gladly relegate to obscurity the Bill as it stands. No Government who was sincerely desirous of taxing war profits would have brought forward so inadequate a measure. The taxation of war profits is now engaging the attention of practically every belligerent country. I do not know how any man of intelligence can be expected to accept the statement of supporters of the Government that practically no excess profits have been made in Australia since the outbreak of the war. We have been shown by the Treasurer that our revenue in 1914-15 was only £22,419,798, and that this year we expect to raise £35,181,655. All this additional revenue has been expended, and there has also been a tremendous expenditure of loan moneys since the outbreak of the war. Is it reasonable, therefore, to say that no excess war profits have been made in the community in which this expenditure has for the most part taken place? Every addition to the expenditure of the Government means an addition to the wealth of the people. Prices of commodities generally have also largely increased since the war, and in these circumstances it is absurd to try to make a body of public men, engaged in the work of providing for the repatriation of our soldiers, come to the conclusion that no war profits have been made in Australia. These men deserve some recompense, and ought, at least, to be placed in as good a position as they were before the war. If individuals and companies in business were satisfied with their profits in 1913, they ought to be satisfied with similar

profits now, for we all know that then Australia was extremely prosperous, and that, but for the unfortunate war, the country would, to use a common phrase, "have stood on velvet." It is absurd to contend that there are no excess war profits. I am satisfied that the intelligent Democracy of Australia is not of that opinion. The Bill may be one for Committee, but on the second reading it ought to be discussed on broad lines, because, when the individual clauses are under consideration, we are confined to the strict scope of the measure. My own opinion is that the Bill ought to be withdrawn, and another introduced more in accord with the wishes of the community.

When the Treasurer was asked what revenue he expected to obtain from this taxation, he very promptly replied that he anticipated £900,000 for the two years, or £450,000 per annum. It is proposed, after the first year, to take 50 per cent. of the profits, and subsequently 75 per cent.; and, after the figures quoted by the Leader of the Opposition, that certainly does not seem exorbitant. Those figures bear the impress of a departmental return, and would seem to show that the officers are not of the opinion that the Bill will not touch all war profits, but only a section. When we bear in mind the enormous profits there disclosed, we cannot wonder that the press of Australia regard the Bill as one which should not be tolerated by an intelligent Parliament. The Treasurer, in his characteristic bluff way, said that we on this side were most extreme in our views when we agitated for the taking of the whole of the profits; but the right honorable gentleman ought to bear in mind that during this war the best blood of Australia has been spent in the defence of our liberties, and that it is only fair and equitable that those who find themselves in such prosperous financial circumstances—and that chiefly owing to the war—should pay their share of the cost. Similar legislation excited a good deal of opposition in England; but notwithstanding that fact, the British Government, unlike the Commonwealth Government, have refused to allow those concerned 10 per cent., and have fixed 6 per cent. in the case of companies, and 7 per cent. in the case of private persons. Why should we

not do the same here? The British Government have provided that 80 per cent. of the profits shall be devoted to the country during the war period; and my personal opinion is that the whole of the profits ought to go into the Treasury. In Sydney lately, Sir Anderson Stuart, who is the President of the Australian Branch of the British Medical Association, informed the public that members of the profession in that city were earning from £9,000 to £16,000 and £17,000 a year. Sir Anderson Stuart is a man who takes a prominent part in public affairs, and his statement, so far, has not been challenged. Of course, no one can object to professional men receiving adequate payment for their work; and, as in all other businesses, the abler men rise to the top. All the same, those who are not in a position to risk their lives in the defence of the country ought to be prepared, or be made, to give financial support in the present crisis.

The figures quoted by Mr. Tudor are supported by the recorded profits earned in the case of English companies operating in Australia. For instance, to speak of mining companies, the Mount Morgan Company have paid £9,033,000 in dividends on 1,000,000 shares at £1; the Wallaroo and Moonta Mining Company have paid £2,435,250 on 160,000 shares at £2; and the Broken Hill Proprietary Company have paid £10,169,200 on 1,181,000 shares at 8s. each.

Mr. BAMFORD.—What figures are you quoting?

Mr. WEST.—I am quoting the latest figures available. In the case of Broken Hill Proprietary, the price of their zinc has risen from £20 per ton before the war to £58 a ton at the present time; and, even allowing for any extra cost of labour, that, in my opinion, represents excessive war profits. Then, again, the price of lead and tin has increased by 30 to 50 per cent., as compared with pre-war prices; and I honestly believe that it is the desire of the people of this country that some of these excess profits should be used for the benefit of the country.

I should now like to refer to the position of nineteen insurance companies doing business in Australia. The list is

a long one, but I think that it ought to be placed on record.

Sitting suspended from 1 to 2.15 p.m.

Mr. WEST.—It is a deplorable fact that very few public men take any real interest in the financial position of the Commonwealth. That remark applies to honorable members on both sides of the House. The party to which I belong has been very lax in regard to financial questions, although they constitute the most important of our parliamentary business. At the present time, an interest bill of something like £9,000,000 per annum has to be met; and when we see so little provision made for meeting it out of revenue, one is almost forced to think that the Government propose to pay the interest bill from loan account.

Sir JOHN FORREST.—You know that is not right.

Mr. WEST.—With such a Bill as this before us, it is difficult for people to think otherwise. Even the Budget statement of the honorable Treasurer gives no indication of the raising of revenue to pay this enormous amount of interest. I know the Treasurer says that the Government do not intend to pay interest from loans; that is a pernicious system that would not be entertained for a moment by anybody. Looking through the reports of the debates in the House of Commons, I find that there, too, very few members took sufficient interest in the finances to discuss the Budget; and the only criticism offered seemed to be on the ground that there was too great a tendency on the part of the Chancellor of the Exchequer to ask posterity to shoulder the financial burden of the war. I notice that honorable members on more than one side of the House expressed regret at the lack of interest taken in financial problems. I feel sure that in the Commonwealth greater attention will have to be paid to this important subject. Members of the British House of Commons have presented to the Prime Minister "a round robin," in which the Government is asked to appoint a Committee to investigate all expenditure and discover, if possible, where leakages occur. I believe that the Commonwealth might do well to adopt that proposal. The figures which the Treasurer puts before us must

be accepted by the House, because we have no other authority from whom to get authentic information. Whilst I can lay no charge against any particular Department, we do know that there has been a good deal of extravagance in connexion with the expenditure in the Defence Department. Some of it, I admit, is unavoidable. In various camps I made inquiries, and the replies I received convinced me that by attempting to interfere with the officers responsible for the expenditure, I might do incalculable harm to the men. There does seem to be a need for the appointment of some Committee such as that suggested in the Imperial Parliament.

Looking through the financial journals, I came across an interesting table, which shows how some people have a very good share of this world's goods, while many thousands of people in the world are penniless. Perhaps the reproduction of those figures in *Hansard* may lead honorable members to take a greater interest in the financial issues that must come before us. The *Economist* of 2nd June last publishes this table—

	Interest Net, less Interest on Debentures.	Depreciation to Fund.	Additions to Fund.	Dividends.
Alliance ..	198,871	..	528,761	420,000 less tax 68,200 net
Atlas ..	52,054	39,159	95,740	23,248 net
British Law ..	15,547	13,194	29,370	20,021 net
Caledonian ..	19,497	8,952	33,506	..
Commercial Union	317,316	191,953	874,960	383,500 less tax 116,250 net
Guardian ..	76,267	34,891	47,221	..
Liverpool, London, and Globe ..	233,094 {	295,538 } 245,000 }	166,931	246,938 net
London and Lancashire ..	84,234	50,000	298,726	126,912 net
London Assurance ..	101,314	20,410	544,137	89,655 net
Northern ..	98,708	12,753	163,936	104,625 net
North British ..	259,794	69,648	314,768	273,962 net
Norwich Union ..	97,200	183,253	415,424	81,400 less tax
Phoenix ..	112,367	86,000	265,970	169,142 less tax
Royal ..	311,215	500,000	604,084	319,493 net
Royal Exchange ..	82,371	60,000	505,175	82,606 less tax
Scottish Union ..	65,054	45,000	225,614	46,502 net
State ..	10,068	5,000	32,362	8,750 net
Sun ..	125,703	70,000	102,607	120,200 net
Yorkshire ..	66,203	50,000	495,536	62,644 net

The figures gave a bird's eye view of the financial position of those various organizations up to 1916, and the *Economist* remarks, in regard to them—

A more remarkable example is that of the Commercial Union. The whole paid-up capital of this institution is only £295,000. The net interest receipts, after deducting income tax and the interest on debentures (created to purchase subsidiary companies), were £317,316, or more than the paid-up capital. The company can, humanly speaking, go on paying a dividend of over 100 per cent. until the crack of doom. What is said of the Commercial Union, applies to almost all the other companies.

Such a statement would not be made by a commercial journal with a view to injuring the stability of the company, or causing any great rush on the shares of the Commercial Union. However desirous honorable members may be to encourage people to invest in commercial concerns, it should be recognised that a limit must be placed on profit making, whether in war time or at any other time. If those making excessive profits in war time only realized the position, I feel confident that they would admit that it would be only just for them to pay a greater proportion towards the cost of the war than they have been paying hitherto. However strongly members may feel about this Bill, they must admit that it will not carry out what the people thought to be the intention of the Government as expressed in their election pledges. In view of the sacrifices made by those who have gone to the war, and those who have given their sons to the war, those in possession of great wealth should not hesitate to assist their country at this period. The cost of the war can be met only by those who have something taxable, particularly those who have made excessive profits. For some years there has been a large circulation of public money, both loan and revenue, in Australia, and some people must have got it within their coffers. In some cases the liquid assets of the banks are double what they were two years ago. They do not keep liquid assets simply for the purpose of putting them on their balance-sheets.

On the question of prices, wool before the war was 1s. 3d. to 1s. 3½d. per lb., and sometimes much lower. Since the war it has gone up to 2s. 8d. Working that out on the wool clip of Australia, most

men will be satisfied that a large amount of profit is being made by wool-growers over and above what they made prior to the war. Any members who know how the commercial houses conduct their businesses must know that they work on the basis of a certain percentage of profit on cost. A house working on a 25 per cent. basis would mark an article costing them 5s. at 6s. 3d., but if the same article cost them 12s., they would mark it at 15s. It is of no use for honorable members opposite to try to throw dust in the eyes of the public, because there must be a vast increase in the profits made by these businesses, with prices 30 per cent. or 40 per cent. higher than they were before the war. No one disputes that wages have risen, but an increase of as much as 1s. is often put on the cost of an article where the increased cost of labour is not more than 1d. or 1½d.

Nobody believes the Treasurer's statement that he can get only £450,000 per annum from a war profits tax. That may be so under this abortion of a Bill, but a proper war profits tax, carrying out the intention of the people of Australia, would produce more like £3,000,000 to £4,000,000. If this measure is licked into shape, and made more like what the people intended that it should be, its own father will not know it. Unless that is done, this Parliament will not be doing its duty. If people cannot go to the war, or cannot send others to represent them at the war, they should not grumble at Parliament taking their excess profits from them. I am prepared to render all the assistance I can to pass any amendment that will help to lick the Bill into shape, but, as it stands, it is hopeless to expect it to do what the people want.

Possibly the Government have now been forced to recognise that they really have no win-the-war policy, and are going to ask members on this side of the House to show them how they should win the war. It would be better for the Government to do that instead of paying, as they are doing, so much attention to the interests of their own friends. That charge may be justly laid at the doors of those who framed this Bill. The Sydney *Daily Telegraph*, the Melbourne *Age*, and one of the Western Australian papers have not received this

measure at all kindly, although they were champions of the Government before the election. Those three papers are beginning to recognise, and one of them has admitted, that the people made an error on the 5th May. The Treasurer, if he were well advised, would withdraw the measure at once, and bring in a Bill more in accord with the wishes of the people. If he did, a large majority of the House would help him to pass it at once. I do not know whether to vote against the second reading or not. If I did, members on the other side would say, "Look at the Opposition we have got," and would use it as a trump card, but, after all, it would be far better to give them that trump card than to run the risk of being accused on this side of not understanding the true position. After all, the members of what Disraeli called "Her Majesty's Opposition"—in this House I suppose it would be "His Excellency's Opposition"—are just as much members of the House as the Government supporters are, although they have not the numbers, or the power, or the same opportunities to get information, and I believe some members opposite think they ought not to get as many privileges. Nevertheless, we who sit in Opposition have duties laid on us, and if the Government cannot produce a better War Profits Taxation Bill, they ought to go out of office and give those on this side an opportunity to show how to conduct the business of Australia in the way that Australia expects it to be conducted.

Sir WILLIAM IRVINE (Flinders) [2.42].—If I do not apply myself to reply to the weighty arguments of the honorable member for East Sydney [Mr. West], he will, I hope, understand that this is not due to any want of respect to him. It is due entirely to the fact that I was only able to hear occasionally what he said, and find a great difficulty in connecting the flashes of lucidity which I heard, separated as they were from one another, to my ears, by chasms of darkness.

Although the Leader of the Opposition disclaimed such a purpose in moving the amendment, he must recognise that such an amendment on such a Bill amounts to a vote of censure on the Government. It is not in form a vote of censure, but every

member of experience—and few members have more experience than has the honorable member for Yarra [Mr. Tudor]—knows that such an attack on one of the important financial measures of the Government could not be accepted in any other way, if carried.

Mr. WEST.—That would be no harm.

Sir WILLIAM IRVINE.—I heard that interjection, and it is a revelation. I had no idea that beneath that calm and dignified exterior there lurked such ambitions as that remark indicates. The Leader of the Opposition had no sooner launched his amendment, which declared that the measure was totally inadequate because the amount of money to be provided by it was so very small, than he proceeded entirely to demolish, by the figures he cited, the foundation on which his amendment was based. He went so far as to prove that his own statement, on which the amendment was based, was wildly distant from the actual truth. Assuming for a moment that his figures—I shall refer to them presently to show how entirely unreliable they are, and how it is impossible to base on them any real estimate or conclusion relative to this debate—are to be relied on, what is the conclusion to be drawn from them? The honorable member has courteously allowed me to see a copy of them. From it I gather that the proposed tax will take from 265 persons in Victoria alone the modest sum of almost £2,000,000, whereas the Treasurer estimates the receipts from all the taxpayers of Australia at about £1,000,000. Figures such as these are fallacious if any legitimate or relevant conclusion is attempted to be drawn from them. In the first place, without knowing the occupation of the persons set down in the list, it is impossible to estimate the taxation that they would be called upon to pay under the Bill. They might, for instance, all be pastoralists, and the year 1914 would not be the year chosen as that furnishing the pre-war standard of their income. We need much wider information than the figures convey to enable us to form an opinion as to the correctness of the Treasurer's estimate. I do not intend to deal with the amendment, because I do not regard it as a seriously meant motion of want of confidence. It has been brought forward more to meet a demand made outside.

Mr. WEST.—To show that His Majesty's Opposition is working.

Sir WILLIAM IRVINE.—Yes; and therefore I propose to address myself, not to the amendment, but to the provisions of the Bill itself. Although I have had a great deal of experience in the construing of Acts and Bills, I have never had more difficulty in ascertaining the meaning of a measure of equal length than I have experienced in dealing with this Bill. Metaphorically, I have struggled through it with a wet towel round my head. The Treasurer may regard it as an easy measure to understand; I do not; though occasionally gleams of light and hope have illumined my darkness and despair. In one regard, the more I look at the Bill the more I like it.

Mr. RICHARD FOSTER.—That is from a lawyer's point of view.

Sir WILLIAM IRVINE.—The honorable member anticipates me. I have come to the conclusion that if the Land Tax Act may be regarded as the earlier rains, this may be compared with the "later rains" sent by a beneficent Providence to revive the humble and drooping industry of which I have the honour to be a member. My attitude towards the Bill should therefore be one of thankfulness for the promise of a bountiful harvest. Nevertheless, I consider it my duty to say a few words regarding it from a public point of view. The more I consider the measure the less I blame the draftsman for its extraordinarily involved provisions. As honorable members know, every involution and twist in a drafting of an Act is the foundation and spring of endless litigation; but the tortuous indirectness of the language of many of the provisions of this measure is due, not to want of skill on the part of those who drafted it, but to the fact that they have been asked to inclose within the form or shell of a War-time Profits Tax Assessment Bill what is, and must be, a War Profits Tax Assessment Bill. In outer form and semblance this is a War-time Profits Tax Assessment Bill, and machinery is provided for comparing periods before the war with periods during the war; but close investigation shows that its many variations from the English Act are intended to make it what it ought to be, a War Profits Tax Assessment Bill.

If this be a War-time Profits Tax Assessment Bill, that is, a measure imposing a tax, not on those who have made large profits out of the war, but on all who through good luck, or for other reasons, have been in a better position during the war than they were in prior to its outbreak, why are exemptions proposed? If the Bill is based on the principle that in a time of war all who are getting larger incomes, no matter from what source, or for what reason, than they had in normal times should be taxed, why should it be applied only to a small section and hundreds of thousands be exempt?

Sir JOHN FORREST.—Does the honorable and learned member say that hundreds of thousands are exempt?

Sir WILLIAM IRVINE.—Yes, in Australia as a whole, I think. However, let me say many thousands. I add my protest to those which have been made from both sides of the House against many of the provisions of the Bill. However much we may differ on other matters, I think that we are all agreed that persons ought not to be allowed to make profits out of a war which is threatening the very existence of the country. That is the only justification you have for proposing to take away anything like 75 per cent. of a man's profits, but it is a complete justification. But surely no one would suggest, when there are men who, by good luck, or for other reasons, are enjoying much larger incomes now than they had three years ago, those of one class only should be singled out, and 75 per cent. of their excess income taken from them. Although the Bill is called a War-time Profits Tax Assessment Bill, its justification is that it taxes not war-time profits, but war profits, and our object should be to make it as nearly a War Profits Taxation Bill as we can get it. I do not object to the exemption of persons who have increased their professional earnings by rendering additional services. I do not think that there are many in my profession to whom the exemption would apply. There is no reason why you should take from those who give additional service to the community the additional remuneration that they have thereby gained.

Mr. FENTON.—Would that apply to members of the medical profession?

Sir WILLIAM IRVINE.—Yes. I say that all classes of persons, no matter what

their occupation, who have made simply war profits, should return a large proportion of them to the State. The only doubt in my mind is whether the Bill provides the most effective machinery for bringing that about. The measure, although entitled a War-time Profits Tax Assessment Bill, provides endless exemptions, and gives the Commissioner power to alter and modify, to raise and lower standards, and in other ways to impose taxation, not on war-time profits, but on war profits. We ought to make it easier for that to be done without injustice. In Committee, I shall suggest certain amendments which will simplify the measure, and make it more effective for this purpose. Speaking from a large experience of the law, I say that the method of meeting a difficulty by avoiding any statement of principle, and endeavouring to forecast all possible cases and deal with them in an Act of Parliament, is the most ineffective and dangerous that can be adopted. The true method, especially where very large discretionary powers have to be left to those who are to administer the law, is to enunciate in the clearest and most distinct way the principle on which the law is founded. Honorable members, by referring to clauses 10, 11, and 12, will see what enormous discretion is given to the Commissioner. He can determine what special circumstances exist; he can vary the pre-war standard of profit; he can calculate the amount of capital in any manner he pleases. That in itself opens up an enormous field of oppression, from which there is no appeal.

Sir ROBERT BEST.—The Commissioner will have power to determine the financial stability of a business.

Sir WILLIAM IRVINE.—As the honorable member points out, this power to determine the financial stability of each business will make the Commissioner practically the controller of every man's enterprise for the time being. I do not deny that to a very large extent these powers must be given. I am only pointing out that this Bill, with all its complicated provisions, will not do away with the necessity of vesting the Commissioner with enormous power.

Mr. JOSEPH COOK.—We are using these powers every day.

Sir WILLIAM IRVINE.—The powers of the Commissioner under the Income Tax Act are nothing like those to be given the Commissioner under this Bill.

Mr. JOSEPH COOK.—I was referring to the powers which the Treasurer possesses to inquire into the business of companies.

Sir WILLIAM IRVINE.—The power to inquire into a company's affairs in order to gain information is one thing, but the power given to the Commissioner to ruin a man or to allow him to go, according to the idea he forms of his business, is quite another thing.

These powers are enormously wide, but I do not complain of that. In any case, the Commissioner must be given wide powers. The problem before him of determining what are, in effect, war profits, requires that he shall have enormous powers. We must have a Commissioner whom we can trust, and a Board of Referees in whom we have implicit confidence. Having got those men, we must give them almost unlimited powers. I am sure that the Treasurer will give full consideration to the suggestion I am about to make, because I know his difficulties, and those of his honorable colleague [Mr. Groom], who has been assisting him, in meeting all the objections that have been raised.

Sir JOHN FORREST.—I have myself discovered some of the difficulties which the honorable member has mentioned.

Sir WILLIAM IRVINE.—I felt sure that the right honorable member would have done so. Since he first took this matter in hand—even before the Bill was put in its present form—I am sure he has found endless difficulties cropping up, and having to be met in order that justice may be done.

Sir JOHN FORREST.—Every one in Australia seems to have a grievance under the Bill.

Sir WILLIAM IRVINE.—Quite so. A great many of those grievances will prove eventually to have had no substantial foundation. They have already been met.

Mr. GROOM.—It is the common experience in connexion with taxation measures.

Sir WILLIAM IRVINE.—But is it not a fact that even since this Bill was

presented to the House representations have been made to the Minister as to numbers of cases in which, if allowed to remain as it stands, it would work an injustice?

Mr. JOSEPH COOK.—Such difficulties have to be met every day and every hour in the week.

Sir WILLIAM IRVINE.—Exactly. This is one of those measures, in connexion with which many difficulties are bound to arise, because of the failure to state in it the real principle on which it is founded. The principle itself should be stated in the Bill, and we should leave the working out of that principle, for the most part, to the discretion of those who have to administer it. Where an attempt is made to build up, little by little, in the Bill, a complicated and necessarily imperfect scheme, in order to do justice in every case, the Government must always be faced with such difficulties. If we were to sit until Christmas and devote our attention solely to the consideration of this Bill, with the object of meeting cases of hardship that have been mentioned as likely to occur, we should not even then arrive at a complete scheme of taxation, such as could be embodied within the Bill itself.

The Minister may attempt, during the passage of this Bill through Parliament, to add a little to this clause and a little to that, to make a slight exception to the provisions of certain clauses, and to add new clauses, to meet cases of undoubted hardship, but even then he will not have dealt with one-half of the real cases of hardship that are likely to arise. Instead of meeting all of them by these express directions, he may so hamper the discretion of the Commissioner and those who have to administer the law as to force them to do an injustice in thousands of cases. That is the difficulty that is always attached to this mode of attempting to meet such a problem. On the other hand, if a definite principle be clearly set out in the Bill—if we create the machinery to give effect to it, and leave those who have to administer the law, free to give effect to the principle—the position will be improved.

My suggestion—and it is only a mere outline that I shall give at this stage—is this: A great deal of the machinery

of this Bill is essential. We must provide for the appointment of a Commissioner and a Board of Referees. We must provide for the establishment of a pre-war standard, and the mode of ascertaining the pre-war standard. Further, there must be general directions as to the method of computing war profits, and provision must be made for determining what is capital. In short, we must have the general skeleton framework of this Bill as it is, although it might be put in a much more condensed form. Once you begin to fill up that skeleton—to load up the Bill itself—with a lot of definite provisions as to how particular cases of hardship are to be met, then you will not meet one-tenth of the difficulties which will arise. On the contrary, the hands of those whose duty it will be to meet them will be tied.

I submit to the Treasurer that it would be better to cut out a great many of the provisions introduced to meet cases of hardship, as well as others which he contemplates proposing, in order to meet the suggestions made by various honorable members, and to deal with the whole question on this broad basis: Under clause 17 returns will be sent in by those from whom the Commissioner desires to obtain them. I gather from the wording of the clause that the Commissioner, very properly, will not require every one who pays income tax to send in a return. That would be monstrous. He will send notices to those whom he desires to furnish returns as to war profits. He will obtain returns from those who are engaged in businesses in which there is any chance of war profits being made, and he will have the excess profits estimated according to the machinery of the Bill. But the hands of the Commissioner and of the Board of Referees should not be tied in any way by directions embodied in the Bill itself as to how particular cases of hardship or difficulty are to be met. These returns will be sent in, and it will be assumed that *prima facie* the profits made in excess of the pre-war standard are war profits. But every taxpayer who sends in a return should have the right to show, either in the return or subsequently, the reasons why in his opinion the whole or portion of those excess profits are not in any way connected directly or indirectly with the war. By way of illustration, let us take the position of the wool industry concerning which we have heard

so much of late. Take the case of a sheep-grower who sends in a return of the profits he has made as compared with his profits for the pre-war period. Let us assume that he says, "My profits this year are £10,000 in excess of the pre-war standard." *Prima facie*, that increased profit is due to the war, but while I admit that the price of wool has increased, and that therefore so much of my profits as come from the sale of my wool have arisen through the war, I do not admit that the rest, or a considerable portion of the rest, is due in any way to the war. It arose from the fact that I have been breeding up or increasing my flocks." That is a very simple illustration. Would not the suggestion I make be the simplest way of meeting the difficulty?

Mr. GREGORY. — But how would the honorable member get over the difficulty of dealing with the excess profits of a manufacturer or the owner of a big city emporium?

Sir WILLIAM IRVINE.—There are difficulties to be met, but I do not think there would be any difficulty in that case.

Sir JOHN FORREST. — I do not think that there is any difficulty in dealing with the wool-growers under the Bill as it stands.

Sir WILLIAM IRVINE.—The Treasurer has made so many exceptions, and intends to make so many more, that he will probably be able to meet the difficulties in connexion with the position of wool-growers; but there may be other difficulties which he cannot meet in the Bill itself. There are others whose interests must be attended to. Take the case of a warehouseman who has made a great deal of money during the year of accounting. Let us take the case of a softgoods warehouseman in Flinders-lane, whose income, say, is £10,000 in excess of the pre-war standard. He may say, "I admit that you are entitled to tax me in respect of certain profits which have arisen from the war because I held stocks of certain goods, the price of which has increased since the outbreak of war." The Commissioner may say that so far as those goods are concerned he has made an excess profit of 25 or 40 per cent., and then ask him, "What other exemptions do you claim?" Supposing he says, "The rest of my profit is due, not to the war, but from the fact that I have improved

my business in some ways, have exercised more skill in connexion with it, and have had better work, and consequently a larger turnover. Every business is either growing up or coming down, and I have been fortunate enough to be among those whose business is increasing. I will pay you taxation in respect of what are legitimate war profits, but you ought to relieve me from this war profits taxation in respect of the rest of my excess profits." Why should not such a contention prevail?

And so with a manufacturer or any one else. Let him make his returns under this Bill. Let him choose his pre-war standard, and let it be assumed as against him in the first place that any excess of profits on the pre-war standard represents profits arising from the war. Give him an opportunity, however, of showing that any portion of those profits does not consist of war profits. Put the onus of proof on him. Let him be called upon to satisfy the Commissioner, and if he is dissatisfied with the Commissioner's decision he will be able to appeal to the Board of Referees.

Mr. JOSEPH COOK.—The Commissioner would have to lay down working rules just as we are trying to do, however imperfectly, in this Bill.

Sir WILLIAM IRVINE.—I agree that the Commissioner would have, from time to time, to lay down rules with regard to the various classes of business with which he had to deal. It is right that he should. What is more, he will be continually altering and adjusting those rules to meet new circumstances. We are attempting to do something which should be left to the Commissioner. We are attempting to embody in a hard and fast Act of Parliament rules which could not be altered except by an Amending Bill, and then could be altered only in respect of a few details. We are trying to embody in the Bill what should virtually be left to the discretion of the Commissioner in administering it.

Mr. FALKNER.—The honorable member would allow the Commissioner to do what the Commissioner of Income Tax does when he standardizes values and forces taxpayers to make a big profit, or, perhaps, a big loss.

Sir WILLIAM IRVINE. — I do not think so. I would retain in the Bill the

machinery we have for allowing a man to estimate what his profit is.

Mr. POYNTON.—If we provided that every taxpayer should be entitled to make a deduction from excess profits on the ground that it represented profits due, not to the war, but to more efficient methods of business, would not every taxpayer be claiming such an exemption?

Sir WILLIAM IRVINE.—Such claims might be made, but it would be for the Commissioner to determine them. I do not think the honorable member for Grey [Mr. Poynton] is following me quite clearly. I gave one or two examples; and if he will cite any particular instance, I shall endeavour to meet him. I have spoken of the wool-growers and the softgoods warehousemen; and perhaps the honorable member may be able to give me another example of where the scheme will not work.

Sir JOHN FORREST.—If there is the pre-war arrangement, it is straightforward enough under the Bill.

Sir WILLIAM IRVINE.—The actual machinery for the assessment is all right, if you do not hamper it with all these particular provisions. In Committee I propose to, at all events, endeavour to have it clearly stated that this is to be a tax on war profits. That will not alter the scope of the Bill, which, although in name a War-time Profits Tax Bill, is in essence a War Profits Tax Bill, so far as it is just. If it is not a War Profits Tax Bill, it ought to be so amended as to make it one, for that is the only way in which to justify any of the exemptions.

Sir JOHN FORREST.—We should have to investigate every case to see whether it was or was not one of war profits.

Sir WILLIAM IRVINE.—That is not so.

Sir JOHN FORREST.—It is now a War-time Profits Tax Bill.

Sir WILLIAM IRVINE.—You call it so, but it is not a War-time Profits Tax Bill. Can the Treasurer suggest any earthly reason, if we are imposing a tax, and a very heavy one, on war-time profits, why there should be any exemptions?

Sir JOHN FORREST.—That is another matter; a similar measure has been two years in force in England.

Sir WILLIAM IRVINE.—It is not the same measure.

Sir JOHN FORREST.—It is exactly the same principle.

Sir WILLIAM IRVINE.—There are very great differences.

Sir ROBERT BEST.—And very important omissions.

Sir WILLIAM IRVINE.—Quite so; and, even if the law in England were as stated, we cannot be guided entirely by that; but, under the circumstances, must do our best for Australia. If we persist in saying that this is to be deemed a War-time Profits Tax Bill, then we do away with all justification for any exemptions. To leave out the element that these profits have been made as a result of the war is grossly unfair to the community. If we proceed to tax all who have happened to make more profit than previously, then it must strike every sensible man that the proper way would be by means of a surplus income tax. I do not advocate that, because it is not what the Government promised the country to do. Though we call it the War-time Profits Tax Bill, it is really a Surplus Income Tax Bill, with the unfairness that it means a huge surplus tax on a small section of the community.

Sir JOHN FORREST.—Only on those who have made the money.

Sir WILLIAM IRVINE.—Only on a small portion of those who have made the money. It is really imposing an income tax of 75 per cent. on one section of the community and leaving the other sections free. The fact needs only to be stated to make the Bill absolutely indefensible. So far as concerns the people who have to pay, we are practically saying that every improvement made in a business belongs to the Crown; and the adoption of such a principle must be fatal to the progress and advancement of the community. The real object of almost every clause—of the powers of the Commissioner, and of the exemptions and exceptions—is to make this measure, as nearly as possible, a War Profits Tax Bill. I hope the Government will not close the door to the proposal I shall suggest in Committee,

to make the Bill, in effect, a War Profits Bill.

Mr. SAMPSON.—Would it not be necessary to give the Commissioner the same wide discretion under your own direct proposal as under the present indirect proposal?

Sir WILLIAM IRVINE.—I do not think any wider, but certainly as wide. The honorable member is right; but the discretion of the Commissioner would not be hampered—he would have a simple definite problem before him in each case. He would, subject to appeal, make rules applicable to the particular cases. As the honorable member for Parramatta said, in practical administration by a Department, a Commissioner or a Board of Referees, with unlimited discretion to determine what are war profits, the controlling power, in a very short time, practically lays down certain rules for those cases which have common elements. But there is the difference that under this Bill the officer would be bound to look at all the complicated directions in the Act, which might in many cases defeat his own powers.

Mr. SAMPSON.—After all, the success of the measure depends entirely on the administration.

Sir WILLIAM IRVINE.—It ought to rest entirely with the administrator, but his hand ought to be free; he should get directions which would enable him to administer it on one definite principle. I understand that the Government desire to submit a motion at this stage, and, therefore, I ask leave to continue my speech on a subsequent occasion.

Leave granted; debate adjourned.

AUSTRALIAN REPRESENTATIVE AT WASHINGTON.

Mr. SPEAKER reported the receipt of a message from the Senate requesting the concurrence of the House of Representatives in the following resolution:—

That, in the opinion of the Senate, if the consent of the Imperial Government can be obtained to the action being taken, it is desirable that an official representative of Australia should be accredited to the United States Government at Washington.

TARIFF.

DUTIES ON SPIRITS AND BEER.

In Committee of Ways and Means:

Mr. JENSEN (Bass—Minister for Trade and Customs) [3.25].—I move—

CUSTOMS TARIFF.

That the Tariff proposals as defined in the *Customs Validation Act* 1917 be amended as hereunder set out, and that on and after the Tenth day of August One thousand nine hundred and seventeen at four o'clock in the afternoon, Victorian time, Duties of Customs be collected in pursuance of the Tariff proposals as so amended.

SCHEDEULE.

IMPORT DUTIES.

Tariff Items.	Tariff on Goods the Produce or Manufacture of the United Kingdom.	General Tariff.
3. By omitting the whole item and inserting in its stead the following item :—		
3. Spirits,† and spirituous liquors, n.e.i.:—		
(a) When not exceeding the strength of proof per gallon	20s.	20s.
(b) When exceeding the strength of proof per proof gallon	20s.	20s.
4. By omitting sub-item (B) of the item and inserting in its stead the following sub-item :—		
(B) Not denatured in accordance with Departmental By-laws per gallon	20s.	20s.
9. By omitting the whole item and inserting in its stead the following item :—		
9. Spirituous Preparations, viz.:—Essences Fruit Ethers Aromas and Flavours, Fluid Extracts, Sarsaparilla, Tinctures, Medicines, Infusions, Toilet Preparations, Limejuice and other Fruit Juices and Fruit Syrups, containing—		
(A) Not more than 25 per cent. of proof spirit per gallon	5s.	5s.
(B) More than 25 per cent., but not more than 50 per cent. of proof spirit per gallon	10s.	10s.
(C) More than 50 per cent., but not more than 75 per cent. of proof spirit per gallon	15s.	15s.
(D) More than 75 per cent. of proof spirit, but not over proof per gallon	20s.	20s.
(E) Over proof to be charged as spirituous liquors under Item 3 (B)		
10. By omitting sub-item (A) of the item and inserting in its stead the following sub-item :—		
(A) Containing 5 per cent. and more of proof spirit per proof gallon	20s.	20s.

† Spirits in cases of two gallons and under, to be charged as two gallons; over two gallons and not exceeding three gallons, as three gallons; over three gallons, and not exceeding four gallons, as four gallons; and so on, provided that small bottles or phials of liquor intended for samples or other special purposes only may be entered at actual measurement.

IMPORT DUTIES—*continued.*

Tariff Items.	Tariff on Goods the Produce or Manufacture of the United Kingdom.	General Tariff.
13. By omitting sub-item (d) of t'e item and inserting in its stead the following sub-item :— (d) Containing more than 40 per cent. of proof spirit per gallon		20s. 20s.
15. By omitting the whole item and inserting in its stead the following item :— 15. Wine, n.e.i., including Sake, Ginger, and Prune Wines; and Wines (other than Grape); containing :— (a) Not more than 25 per cent. of proof spirit per gallon (b) More than 25 per cent. but not more than 50 per cent. of proof spirit per gallon (c) More than 50 per cent. of proof spirit per gallon		5s. 5s. 10s. 10s. 20s. 20 .
54. By omitting sub-item (f) of the item and inserting in its stead the following sub-item :— (f) When preserved in spirituous liquid additional duty at 20s. per gallon to be paid on the liquid.		
57. By omitting the whole item and inserting in its stead the following item :— 57. Grain and Pulse, not prepared or manufactured, viz.:— (a) Wheat (b) Barley (c) N.E.I.	Free 2s. 1s. 6d.	Free 2s. 1s. 6d.
58. By omitting sub-item (b) of the item and inserting in its stead the following sub-item :— (b) Wheaten Flour	Free	Free
129. By omitting the whole item and inserting in its stead the following item :— 129. Hessians and Brattice Cloth; Jute Piece Goods; Bookbinders' Cloth; Bunting	Free	Free
134. By omitting the whole item and inserting in its stead the following item :— 134. Bags Sacks Packs and Bales for Bran, Chaff, Compressed Fodder, Potato, Onion, Ore, Coal and Wool; also Sugar Mats, and Sugar Corn and Flour Sacks	Free	Free
320. By omitting sub-item (c) of the item and inserting in its stead the following sub-item :— (c) Films for Kinematographs— (1) Sensitized Films, and Films n.e.i. (2) Exposed or Developed Films representing Dramatic or Australian Subjects per lineal foot	Free 1d.	Free 1½d.

And—

EXCISE TARIFF.

That the Tariff proposals as defined in the *Excise Tariff Validation Act 1917* be amended as hereunder set out, and that on and after the Tenth day of August One thousand nine hundred and seventeen at four o'clock in the afternoon, Victorian time, duties of Customs be collected in pursuance of the Tariff proposals as amended.

Articles.	Rate of Duty.
Beer. —By omitting the whole item and inserting in its stead the following item:—	
Beer —	
Ale, Porter, and other Beer containing not less than 2 per cent. proof spirit—	
Brewed from Barley Malt and Hops exclusively per gallon	6d.
N.E.I. per gallon	7d.
Spirits. —By omitting the whole item and inserting in its stead the following item:—	
Spirits —	
(1) Brandy, distilled wholly from grape wine by a pot still or similar process at a strength not exceeding 40 per cent. over proof, matured by storage in wood for a period of not less than two years and certified by an officer to be pure brandy per proof gallon	17s.
(2) Blended Wine Brandy, distilled from grape wine, and containing not less than 25 per cent. of pure grape wine spirit (which has been separately distilled by a pot still or similar process at a strength not exceeding 40 per cent. over proof), the whole being matured by storage in wood for a period not less than two years, and certified by an officer to be brandy so blended and matured per proof gallon	18s.
(3) Whisky, distilled wholly from barley malt by a pot still or similar process at a strength not exceeding 45 per cent. over proof, matured by storage in wood for a period of not less than two years, and certified by an officer to be pure malt whisky per proof gallon	17s.
(4) Blended Whisky, distilled partly from barley malt and part'y from other grain, containing not less than 25 per cent. of pure barley malt spirit (which has been separately distilled by a pot still or similar process at a strength not exceeding 45 per cent. over proof), the whole being matured by storage in wood for a period of not less than two years, and certified by an officer to be whisky so blended and matured per proof gallon	18s.
(5) Rum, distilled from molasses by a pot still or similar process at a strength not exceeding 45 per cent. over proof, matured by storage in wood for a period of not less than two years, and certified by an officer to be pure rum per proof gallon	18s.
(6) Gin, distilled from barley malt, grain, or grape wine, and certified by an officer to be pure gin per proof gallon	18s.
(7) Spirits, n.e.i. per proof gallon	19s.
(8) Spirit for industrial or scientific purposes, subject to Regulations per proof gallon	19s.
(9) Methylated spirits, subject to Regulations	Free
(10) Spirit for fortifying Australian wine or for making vinegar, subject to Regulations per proof gallon	8d.
(11) Spirits for the manufacture, from Australian products exclusively, of scents and toilet preparations subject to Regulations per gallon	15s.
Amylic Alcohol and Fusel Oil per gallon	19s.

This motion is necessary because of the loss of revenue which will follow the action of the Government in prohibiting the importation of certain articles which are deemed to be luxuries. It has been decided to increase the import duty on spirits by 3s. per gallon, and the Excise duty by an almost similar amount. It is further proposed to increase the Excise on beer manufactured in Australia by 1d. per gallon.

Mr. PAGE.—Why not increase it by 3d.?

Mr. JENSEN.—The Excise duty is now 6d. and 7d. per gallon. The amount of revenue we expect to obtain by these increased duties is, roughly, £600,000, which is just about the amount that we anticipate losing by the prohibition of articles of luxury and articles which the Government think can be made in Australia, and thus afford employment here.

Mr. TUDOR.—Will the Minister give a list of luxuries it is proposed to prohibit?

Mr. JENSEN.—By a proclamation dated the 10th inst., the Governor-General in Council has prohibited, except by the consent in writing of the Minister for Trade and Customs, the importation of the following articles, viz. :—

1. Ale and other beer, porter, cider and Perry, spirituous, in bulk or in bottle.
2. Potable spirits.
3. Perfumed spirits and bay rum.
4. Biscuits.
5. Confectionery.
6. Eggs, in shell or otherwise.
7. Fur apparel.
8. Perfumery.
9. Jewellery, imitation jewellery, and imitation precious stones.
10. Bodies for motor vehicles, whether imported separately or forming part of a complete vehicle.

We contend that motor bodies can be made in Australia, but we shall permit of the chassis being imported.

Mr. PAGE.—Are those all the luxuries that you intend to prohibit?

Mr. JENSEN.—There are many things which might be deemed to be luxuries, but the Government have to take into consideration the effect of a prohibition on the revenue.

Mr. FENTON.—What about champagne?

Mr. JENSEN.—Very little champagne is being imported.

Mr. PAGE.—Surely those are not all the luxuries you are going to prohibit?

Mr. JENSEN.—Those are all the luxuries that the Government intend to prohibit at this stage.

Mr. TUDOR.—Are all the items you have mentioned absolutely prohibited?

Mr. JENSEN.—No. The Government will grant permission for the importation of potable spirits during the year 1917-18 to the extent of 70 per cent. of the quantities imported during the year 1916-17. The remaining 30 per cent. will be prohibited. That will be effected by a regulation of the Customs in the releasing of spirits from bond. All the other items mentioned are absolutely prohibited; but the Minister will have power to permit certain articles to be imported. For instance, representations may be made that certain jewellery should be allowed to enter Australia. The Minister will consider those representations, and will have power to grant a permit if he thinks it necessary. Goods in bond in Australia, or such as are in Australian ports, or in course of transit to Australia on the date of the proclamation, will be allowed delivery. That will be done in order not to cause great inconvenience to the commercial community. I think that is a reasonable proposal.

Progress reported.

ADJOURNMENT.

BORE-CASING—AUSTRALIAN AND BRITISH SOLDIERS—UNEMPLOYMENT.

Motion (by Mr. JOSEPH COOK) proposed—

That the House do now adjourn.

Mr. HIGGS (Capricornia) [3.50].—I desire to bring under the notice of the Acting Prime Minister a letter I have received from the Wowan Farmers and Settlers' Progress Association. In that communication I am asked to represent to the Prime Minister the distress that is caused to settlers on the land in that district through the scarcity of water, and which is accentuated by the increased

cost of bore-casing. For the purpose of relieving the distress, I am asked to urge the Government to allow German-made casing now in the hands of various Queensland foundries to be sold at a minimum cost to the settlers of this and other such sparsely-watered districts of Queensland who are dependent on the Queensland State Savings Bank for payment for bores. It is also desired that the Government shall ascertain the amount of German casing held by various firms in Queensland. I believe that public opinion is not so disturbed to-day as it was a couple of years ago, when people actually refused to play German music simply because it was German, and Beethoven was actually taken off the list of all musical programmes. The public are getting into a saner state of mind; and I notice that Beethoven has been played at the recent Verbruggen concerts. From this letter, it would appear that a quantity of German-made casings is in the possession of Queensland firms, and the settlers desire it to be placed on the market. I cannot see that we shall either win the war or do any particular good by keeping that material out of use. Probably other casing is not available, and, if the facts are as stated, the Government might consider the release of German casing now held in stock. I shall be glad if the Minister for the Navy will consider the matter.

Dr. MALONEY (Melbourne) [3.41].—In the *Age* of the 6th August appeared a statement by Brigadier-General Sir Robert McC. Anderson that "About a month ago General Sir Archibald Murray, who, until recently, was commanding in Egypt, told me that he would rather lose a division of other troops than a brigade of Australians." In the *Argus* of the 8th August is a letter signed by "Fair Play," pointing out that, whilst a brigade of infantry consists of 124 officers and 4,055 of other ranks, not including details at the base, a division consists of 585 officers and 17,488 of other ranks, not including details at the base. "Fair Play" points out that "The statement, therefore, means that one Australian soldier, as a fighting man, is equal to five British soldiers." Whilst one may admire a man who, probably, without a

scintilla of knowledge of warfare, can rise to the rank of brigadier-general, I can scarcely believe that a British general would make a statement that he would rather sacrifice five British soldiers than one Australian. Our boys who are at the Front lift their hats in admiration of the battalions who represent the four British Kingdoms, and they would not approve of such a statement as that. If General Sir Archibald Murray made such a cold-blooded, brutal remark, he ought to be shot. I lift my hat to the British Tommy. The whole history of British soldiers is a record of bravery. I am proud of my Australian brothers, and if they only equal the Tommies in courage and fighting capacity, I shall be satisfied. I ask the Honorary Minister to consult with the Minister for Defence as to whether a cablegram cannot be sent to General Sir Archibald Murray, asking him if he made such a brutal and cruel statement as is attributed to him.

Mr. FENTON (Maribyrnong) [3.44].—I should like once again to refer to the question of unemployment, particularly in the case of returned soldiers. Several of these men were dismissed by the Colonial Ammunition Company about a fortnight or three weeks ago, and there are amongst them married men, who are still out of employment, and whose position is more than precarious. Is there not a possibility of the Government making a special effort in regard to these men, apart from repatriation? Later we shall have a repatriation scheme in operation; but it appears that the men who have returned early from the Front will have to battle unaided, and they are not in that state of physical health which enables them to take any kind of work. I could give the Minister details of half-a-dozen cases of actual distress. I have already asked the Minister for Works and Railways [Mr. Watt] to facilitate the matter of putting works in operation that will give employment to people, many of whom are endeavouring in these times of high cost of living to support families. I have a list of men with families of up to nine to support. In these hard times, one of the chief duties of a National Government is to see that people are fed, clothed, and housed. I shall send the Minister a list of names if he desires them, and trust

that something will be done by the Government, in addition to pushing on with works as far as practicable, to give work to men out of work.

Mr. GROOM (Darling Downs—Honorary Minister) [3.46].—One naturally sympathizes with anybody out of employment, particularly returned soldiers, and the cases of those who have families are to be most earnestly considered. The honorable member for Denison [Mr. Laird Smith] brought one or two cases to me, and I promised to make inquiries as to the position in regard to them concerning the ammunition factory. I cannot say at present that I know of any cases where employment can be given to them, but I shall certainly make inquiries to see what can be done.

Mr. FENTON.—Surely the resources of the Government are not so limited that nothing can be done for a limited number.

Mr. GROOM.—I promise the honorable member that I will make inquiries.

Mr. FENTON.—They can get no redress from the State War Council.

Mr. GROOM.—I shall look into the matter at once. The honorable member for Melbourne [Dr. Maloney] mentioned the case of ex-Sergeant Woods. I have had inquiries made, and have the facts here. I would advise the honorable member to see me privately with respect to that case.

Mr. PIGOTT (Calare) [3.48].—We are all keenly interested in the matter of unemployment, but my experience is that if it exists, it exists in Melbourne and other big cities. In the country districts, especially on the grazing properties and farms, it is absolutely impossible to get labour. We have vacancies for all descriptions of work, and it would be a good thing if the Minister, instead of plunging the country into extra expense for unnecessary works, tried to organize labour as far as possible, and find out where these men could be placed. The other day some 200 women forced their way almost into this chamber, and have since been talking a great deal about unemployment. If they really wanted work, there are hundreds of people living in the country districts who would be very glad to engage them as domestic servants.

Mr. HIGGS.—Half of those women are married women with families.

Mr. PIGOTT.—But a dismal picture has been drawn to us about their starving. There was a time when I was glad to take anything in the way of work. Member of Parliament as I am, rather than starve, or beg, or create turmoil in this country, I would take on any menial work. It is no shame for a man to work, no matter what the occupation, so long as he is doing it honestly and honorably.

Mr. JOSEPH COOK (Parramatta) [3.50].—The honorable member for Capricornia [Mr. Higgs] asks that we shall make available German bore casing, so that it may be purchased at a lower rate than ordinary casing, in order to give some relief to the drought-stricken districts.

Mr. HIGGS.—I only received the letter this afternoon, and all I did was to ask you to look into the merits of it.

Mr. JOSEPH COOK.—It is not the honorable member's usual rôle to ask for things to be sold at a cutting rate, but that is the request in this letter.

Mr. HIGGS.—I only asked you to look into it.

Mr. JOSEPH COOK.—I am afraid it will want looking into a great deal before one can commit one's self offhand to a thing of this kind. My own feeling is that if there is any other casing than German in the district, no concession whatever should be made to the German casing.

Mr. HIGGS.—I agree with that, but if there is no other casing, and it is being held merely because it happens to be German made, I want you to do something.

Mr. JOSEPH COOK.—No returned soldier unable to get work ought to be allowed to want. There is plenty of money to be made available by this Government to prevent that scandal, at any rate, and whatever else is blocking the way, it is not want of generosity on the part of the Government. It must be due to some lack of organization somewhere in between. If the honorable member for Maribyrnong [Mr. Fenton] can give us concrete cases, we will see that they are inquired into. The Government have the responsibility of seeing that returned soldiers either get work or are not allowed to starve.

Mr. HIGGS.—You seem to lack administrative ability.

Mr. JOSEPH COOK.—The Opposition have been trying to make political capital all the week out of the poor returned soldier. I ask them not to try to trade on his sheer distress. A deputation waited on the Prime Minister yesterday evening to see if something could be done at the particular place to which the honorable member for Maribyrnong [Mr. Fenton] referred. I hope it will be possible to do something there.

Mr. FENTON.—These cases need immediate relief. If they are not relieved, I am rather afraid of the terrible distress that will be created.

Mr. JOSEPH COOK.—If a returned soldier is unable to get employment, the State War Council ought to tide him over until he can.

Question resolved in the affirmative.

House adjourned at 3.56 p.m.

Members of the House of Representatives.

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1. Deceased reported 14th June, 1917.

2. Elected 30th June, 1917. Sworn 11th July, 1917.

3. Sworn 11th July, 1917.

4. Appointed Temporary Chairman of Committees, 18th July, 1917.



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